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DAILY REPORT

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China

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PR C I N T E R N A T I O N A L A F F A I R S
GENERAL

A 1

WU XUEQIAN MEETS COUNTERPARTS AT UNITED NATIONS

OW260953 Beijing XINHUA in English 0656 GMT 26 Sep 84

[Text] United Nations, September 25 (XINHUA) -- Wu Xueqian, state councillor and foreign minister of China, met separately here this evening with Algerian Foreign Minister M. Ahmed Taleb Ibrahimi and Guinean Foreign Minister Capitaine Facine Toure. In separate meetings earlier today, the Chinese foreign minister conferred with his counterparts Shintaro Abe of Japan, Ahmad 'Ismat 'Abd al-Majid of Egypt, Dawa Tsiring of Bhutan, Carlos A. Maeso of Uruguay, A.C.S. Hameed of Sri Lanka and Colonel Goshu Wolde of Ethiopia. He also met separately today with his counterparts of Petur Mladenov of Bulgaria, Stefan Andrei of Romania, Mangalyn Dugersuren of Mongolia and Raif Dizdarevic of Yugoslavia.

WU XUEQIAN ADDRESSES UN GENERAL ASSEMBLY

Hong Kong Agreement

LD261648 Beijing XINHUA in English 1634 GMT 26 Sep 84

[Text] United Nations, September 26 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said here today that the Sino-British joint declaration on the question of Hong Kong will contribute to China's reunification as well as to stability and peace in Asia.

In his speech to the 39th U.N. General Assembly Plenary Session Wu said, thanks to their joint efforts, the Chinese and British Governments have reached and initialed a joint declaration on the question of Hong Kong.

He said, "Based on the idea of 'one country, two systems,' the Chinese Government has decided to resume the exercise of sovereignty over Hong Kong in 1997 and establish a Hong Kong Special Administrative Region."

"That is to say," Wu said, "in view of the history of Hong Kong and its realities, a special administrative region, where the capitalist system will remain unchanged for 50 years, is to be established in a socialist country." He said, "This idea, based as it is on China's actual conditions, conforms to a common aspiration and the interests of the one billion Chinese people, including our compatriots in Hong Kong."

Wu said: "The settlement of this question will contribute significantly to the lofty cause of the reunification of our great motherland and to stability and peace in Asia."

'Peaceful Coexistence'

LD271701 Beijing XINHUA in English 1650 GMT 26 Sep 84

[Text] United Nations, September 26 (XINHUA) -- A political settlement of the question of Kampuchea "must be predicated on the withdrawal of all the Vietnamese aggressor troops from Kampuchea," said Chinese Foreign Minister Wu Xueqian here today.

Addressing the third day plenary session of the 39th U.N. General Assembly, the chairman of the Chinese delegation said, "Whether to firmly oppose aggression by Vietnam and demand the withdrawal of its troops is a fundamental test as to whether one gives resolute support to the just struggles of the people subjected to aggression, safeguards the independence of sovereign states, works for the maintenance of world peace and security, and upholds the basic norms of international relations."

Expressing the hope that Kampuchea become an independent, peaceful, neutral and non-aligned state, the Chinese foreign minister declared: "We support the legitimate status and authority of the tripartite coalition government of Democratic Kampuchea headed by Prince Sihanouk." "We believe that after the withdrawal of Vietnamese troops, the various Kampuchean political forces will get united on a broad basis, and that the Kampuchean people can decide their own future through a U.N. -supervised general election, free from outside aggression and interference," Wu said.

Supporting the people of Afghanistan in their heroic struggle to safeguard national independence and resist foreign aggression, Wu said, "We oppose the efforts of the Soviet Union to intensify its aggression against and devastation of Afghanistan and we demand the withdrawal of Soviet troops from Afghanistan."

In the speech, the Chinese foreign minister also reiterated the Chinese Government's stances on a number of other international issues. He said, "We support the position of the Democratic People's Republic of Korea for the holding of tripartite talks, easing of tension in the Korean peninsula and the independent and peaceful reunification of Korea, and calling for the withdrawal of U.S. troops from South Korea."

Demanding Israel's withdrawal from Lebanon and from all the other Arab territories it has occupied since 1967, Wu expressed China's support for the Arab people's just struggle against Israeli aggression and expansion and the just struggle of the Palestinian people to regain their legitimate national rights.

On Namibia he said, "We support the just struggle of the people of Namibia for national independence and that of the people of South Africa against apartheid and racial discrimination and demand the withdrawal of the troops of South Africa from Namibia and the cessation of military threats to the neighboring countries."

Wu also expressed China's support for the Latin American people and the Contadora Group in their endeavor for peace and stability in Central America and demanded that the outside forces stop their acts of military intervention and infiltration in this region.

Foreign Policy Principles

LD261652 Beijing XINHUA in English 1641 GMT 26 Sep 84

[Text] United Nations, September 26 (XINHUA) -- "The Chinese Government pursues an independent foreign policy, firmly opposes hegemonism, and resolutely stands by all peoples who are subjected to oppression and aggression," declared Chinese Foreign Minister Wu Xueqian here today.

Speaking at today's plenary session of the 39th U.N. General Assembly, Wu, who is also head of the Chinese delegation to the session, said, "China will never attach itself to any big power or group of powers, nor yield to any outside pressure." He said, "We support the non-aligned movement and will not enter into alliance with any big power. We do not practise the so-called equidistant diplomacy, or play cards or ally ourselves with one big power against the other."

"In our external relations," Wu said, "We have always followed the Five Principles of Peaceful Coexistence initiated jointly by China, India and Burma thirty years ago." He pointed out that the Five Principles of Peaceful Coexistence -- mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence -- "having long been written into China's Constitution and are the basic norms China follows in handling its relations with all countries."

"We want to live in peace and develop normal relations with all countries," Wu said. "Even though some countries have differences of one kind or another with us for this or that reason, we are ready to seek a settlement of the differences in a spirit of mutual understanding and consultation so that our relations with them may gradually improve."

Experience shows, Wu said, the Five Principles of Peaceful Coexistence are "the basic norms governing relations between states and constitute an important weapon against hegemonist interference and aggression." "Whether relations between countries are good or bad depends on whether or not they adhere to the Five Principles," he stressed, adding: "If these principles are adhered to, countries with different social systems can live in amity and engage in friendly cooperation. But if not, even countries with similar social systems may fall out and come into confrontation or even conflict."

He noted that, "so long all countries strictly adhere to the Five Principles of Peaceful Coexistence in their mutual relations -- whether between big powers, or between big and small countries, or between small countries -- it will not be difficult to have international tensions relaxed, and world peace will surely be preserved."

Arms Control

LD261723 Beijing XINHUA in English 1703 GMT 26 Sep 84

[Text] United Nations, September 26 (XINHUA) -- Chinese Foreign Minister Wu Xueqian today called on the Soviet Union and the United States to stop their nuclear arms race, resume negotiations on nuclear arms reduction, and immediately stop extending their arms race to outer space. Addressing today's plenary session of the 39th U.N. General Assembly, the Chairman of the Chinese delegation also urged the two nuclear powers to reduce and destroy their nuclear missiles already deployed in Europe, Asia and elsewhere in the world.

He said, "At present, what concerns and disturbs people most is the threat of a nuclear war. Despite innumerable rounds of talks on nuclear disarmament and a variety of proposals to this end, nuclear weapons have continued to increase and nuclear stockpiles have reached extremely dangerous proportions." He noted that with the suspension of their disarmament negotiations, the two nuclear superpowers have further escalated their nuclear arms race.

Wu pointed out that the Soviet Union and the United States possess over 94 percent of the world's total nuclear weaponry, and they alone are in a position to fight a nuclear war. "Should they choose to use only a small portion of their nuclear arsenals, not only the people of these two nuclear powers would suffer, but the people of the whole would be plunged into an unprecedented holocaust," he stated.

Noting that the arms race between the two nuclear powers is extending to outer space, he said that "both sides are stepping up the development of anti-ballistic missile weapon systems so as to reinforce their strategic offensive capabilities through improved strategic defensive means." He stressed, "We stand for the early conclusion of a treaty on the prohibition of arms race in outer space and a ban on research testing, development, manufacture, deployment and use of all weapons designed for outer space warfare, as well as destruction of all the existing outer space weapon systems." He added, "all this is highly necessary for demilitarizing outer space and ensuring its peaceful use by mankind."

Reaffirming the stand of the Chinese Government and people for nuclear disarmament, Wu said, "We hold that efforts should be made to promote progress in conventional as well as nuclear disarmament."

He declared that "the small quantity of nuclear weapons China possesses is solely for the purpose of self-defense." "China has never participated, nor does it intend to participate, in the nuclear arms race or to shirk its responsibility in regard to nuclear disarmament," he said.

He summed up China's position on nuclear disarmament in the following three basic points:

- "Our fundamental position is the complete prohibition and thorough destruction of all nuclear weapons.
- "As a practical step for nuclear disarmament, we propose that, after the Soviet Union and the United States have taken the lead in putting an end to testing, improving and manufacturing nuclear weapons and have agreed on substantially reducing their nuclear arsenals, a broadly representative international conference should be convened with the participation of all nuclear states to work out together concrete measures for further nuclear disarmament.
- "Before all this materializes, for the sake of reducing the threat of nuclear war and showing good faith in nuclear disarmament, all nuclear states should undertake not to be the first to use nuclear weapons and unconditionally pledge not to use, or threaten to use, nuclear weapons against non-nuclear states and nuclear-free zones and should reach agreement on mutual non-use of nuclear weapons."

The chairman of the Chinese delegation also stressed that China has always opposed the development, production and use of all biological weapons detrimental to mankind. He said, "the Standing Committee of the Chinese National People's Congress already adopted on September 20, 1984 the decision on China's accession to the convention on the prohibition of biological weapons. From now on, China will join other countries to combat all acts that violate this convention and to work hard for its further improvement so as to advance the whole process of disarmament."

Third World Development

LD261821 Beijing XINHUA in English 1715 GMT 26 Sep 84

[Text] United Nations, September 26 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said today that "the development of the Third World has become one of the biggest challenges mankind faces today." Wu who is also chairman of the Chinese delegations, was speaking at today's plenary session of the 39th U.N. General Assembly.

He said, "Despite the persistent efforts made by the developing countries to remove external constraints imposed on their economic development and to improve North-South relations, the actual results are far from satisfactory." He said, "Up to now, global negotiations have not yet been launched and the immediate measures for solving the current urgent problems affecting the developing countries have failed to materialize."

Calling for close attention to and deep sympathy for the grave difficulties of the lesser developed countries, especially those in Africa, the Chinese foreign minister appealed to the international community "to take concerted action in response to their appeal for help in coping with the difficulties." "All developed countries have the obligation to give them adequate aid of all kinds and help them overcome their economic difficulties and alleviate the people's sufferings," he noted.

The Chinese foreign minister dwelt on the grave debt problem, which he described as "an urgent issue facing developing countries."

After noting that the continued rise of interest rate of U.S. banks has further increased the burden of debtor countries, he stressed, "To settle the debt problem is the responsibility the creditor countries, commercial banks, and international financial agencies should shoulder together with the debtor countries."

He said, "The principle for settling this problem should be 'promotion of debt service through development.' The debtor countries should be asked to adopt readjustment policies aimed at promoting their economic growth, and not to impose a recessionist policy. "The creditor countries should take such measures as lowering high interest rates, improving terms of payment, reducing trade restrictions, increasing governmental development aid and providing adequate credits and loans so as to reduce the burden of the debtor countries."

He added, "We appreciate and support the reasonable proposals put forward by debtor countries for settling the debt problem and the responsible attitude they adopt." Wu expressed the hope that "through their own sustained efforts and with the attention and help of the international community, the debtor countries will be able gradually to extricate themselves from their difficult position so that the current debt crisis may be eased and overcome."

Describing protectionism as another urgent problem that affects the economic growth of the developing countries, Wu noted that "protectionism is on the rise rather than decline. This has become a major obstacle to the economic recovery and development of the developing countries." He called on the major developed countries to adopt immediately effective measures to honour their promises and to halt and reverse the trend of increased protectionism against the developing countries, so that the latter may increase their export earnings, and create conditions for the expansion of their imports and the growth of their economies.

Wu said that "the world economy is an internal whole. Its stability and growth cannot be based on the affluence of the few and the impoverishment of the many". However, he said, "It is regrettable that some major developed countries have thus far failed to consider in earnest the practical difficulties and urgent demands of the numerous developing countries. These developed countries have remained indifferent to North-South dialogue and global negotiations and opposed a restructuring of the old international economic order. Theirs is a short-sighted policy." The Chinese foreign minister stated, "It has been our consistent view that the solution of the immediate problems facing the developing countries should be closely linked with the effort to achieve the long-term objective of establishing the new international economic order."

He expressed support for all proposals that help improve the North-South relations and promote development in the Third World.

He stressed: "South-South cooperation is not only an effective way for the developing countries to strengthen collective self-reliance in overcoming difficulties and developing their economies, but also an important impetus to North-South dialogue and a booster to their negotiating positions." He declared, "The Chinese Government is ready to play its part in promoting South-South cooperation in accordance with the principles of equality and mutual benefit, stress on practical results, diversity in form, and common progress."

REAGAN MAKES 'IRRESPONSIBLE' REMARKS AT UN

OW252106 Beijing XINHUA Domestic Service in Chinese 1524 GMT 25 Sep 84

[By reporters Zhang Xihun and Zhou Cipo]

[Excerpts] United Nations, 24 Sep (XINHUA) -- U.S. President Reagan said at the general debate of the United Nations General Assembly this morning that the United States and the Soviet Union should "institutionalize regular ministerial or cabinet-level meetings." He said: "Deterrence is necessary, but not yet enough," and "We are ready for constructive negotiations with the Soviet Union."

Referring to U.S.-Soviet summit meetings, Reagan said: "Such meetings have a useful role to play. But they need to be carefully prepared, and the benefit here is that meetings at the ministerial level would provide the kind of progress that is the best preparation for higher talks between ourselves and the Soviet leaders." He also said: "We realize that there is no wise substitute for negotiations on arms control and other issues between our two countries, which posses enough [arms] to destroy our civilization."

On regional conflicts, Reagan said the United States "supports" a diplomatic process to restore regional peace and security in Central America. Nevertheless, he made irresponsible remarks [shuo san dao si 6141 0005 6670 0934] on Nicaragua's internal affairs, demanding that Nicaragua "reestablish democracy at home" and "abandon its policies of subversion and militarism."

On the Middle East issue, Reagan said the road to solve the problem was "long and hard," and "many issues can be settled through negotiations." He said he still upholds the Middle East peace plan he put forward in September 1982, and regards it as a basis for achieving a just and lasting peace in the Middle East.

COMMENTARY ON DEVELOPING TIES WITH 'ALL COUNTRIES'

OW261335 Beijing in Russian to the USSR 1800 GMT 25 Sep 84

[Station commentary: "China Is Making Every Effort to Develop Its Relations With All Countries on the Basis of the Five Principles of Peaceful Coexistence"]

[Text] As the Chinese people mark the 35th anniversary of the founding of their People's Republic, the public in some countries regards the fact that China is greatly extending its relations with all countries in the world as one of its brilliant successes deserving celebration. Today, the Five Principles of Peaceful Coexistence enjoy wide approval in the world. China has already established diplomatic relations with 129 countries in five continents on the globe. Many states carry on sincere cooperation with China. We have friends in all corners of the world.

In relations with other countries, China observes the Five Principles of Peaceful Coexistence, namely mutual respect for sovereignty and territorial integrity; mutual nonaggression; mutual noninterference; equality and mutual interest; and peaceful coexistence. This is one of the main reasons that it enjoys wide confidence. These five principles were first advocated jointly by China, India, and Burma 30 years ago. They have already been incorporated into China's Constitution and have become our country's guiding principles in the development of relations with all countries.

For a long period of time, China has been consistently guided by the principles of peaceful existence and actively established and developed friendly relations with other countries on our planet.

New, gratifying successes have been obtained in the last few years.

Our country always pays considerable attention to the maintenance and development of goodneighborly relations with nearby countries. With a fraternal neighboring country, the DPRK, China maintains close relations characterized by mutual respect, mutual support, and (the spirit of) coexistence. These relations constantly achieve new development through visits exchanged by the leaders of the two countries and increased cooperation between the two countries.

Goodneighborly and friendly relations between China and Japan have reached a new level of development. Chinese and Japanese leaders have made long-term decisions for turning the 21st century into a century of even more friendly relations between China and Japan.

Our country maintains good cooperation with the ASEAN countries in the struggle for peace and security in the Southeast Asian region and maintains even closer relations with Pakistan, Bangladesh, Sri Lanka, Nepal, and Burma. Sino-Indian relations continue to improve.

The friendship between our country and the peoples of Palestine and other Arab countries is being developed in the struggle against Israeli aggression and expansion. Our country's friendly relations with many other countries in Asia, Africa, and Latin America are constantly growing stronger and are developing. The relations of friendship and cooperation between China, Romania, and Yugoslavia have firm foundations, and China continues to develop all-round cooperation with them. Our country has feelings of friendship for the peoples of other East European countries and is ready to further improve relations with these countries. China also has good relations, based on the Five Principles of Peaceful Coexistence, with all the West European countries, Canada, Australia, New Zealand, and many other developed countries. China and all these countries seek to develop their exchanges in the political, economic, cultural, scientific, technical, and other fields according to the principles of equality and mutual interest.

In its relations with the two great powers, the United States of America and the Soviet Union, China also adheres to the Five Principles of Peaceful Coexistence. Our country attaches great importance to the development of relations with the United States, as it considers it to be an important factor for peace and stability in the world. However, in the development of Sino-American relations there still is one obstacle: The problem of Taiwan. This problem is China's internal problem and in no way allows outside interference. Sino-American relations can develop steadily and permanently if the United States genuinely pursues a policy of one China and, by practical deeds, gradually and considerably reduces its arms sales to Taiwan, thus bringing about the final solution to this problem.

China sincerely wishes to normalize its relations with the Soviet Union and is ready to develop economic, technical and cultural exchanges with the Soviet Union. However, at present there are still three obstacles: First, the Soviet Union continues to station large contingents of troops on the Sino-Soviet border and in Mongolia; second, the Soviet Union supports Vietnam in its aggression against Kampuchea and its struggle against China; third, the Soviet Union's engaging in armed intervention in a country neighboring China, Afghanistan. All this poses a serious threat to China's security. In order to achieve normalization of Sino-Soviet relations it is necessary to eliminate these three obstacles.

The Five Principles of Peaceful Coexistence are suitable not only for relations between states with different social systems, but also for relations between states with similar social systems, as well as for relations between socialist states. The practice of these principles for over 30 years justifies China's position. Being a true implementer of the Five Principles of Peaceful Coexistence, China, in seeking friendly relations with all countries, always stresses peace and friendship.

China solemnly declares to the world that it will never aspire to hegemony and will never words indistinct..

SHULTZ, GROMYKO MEET AT U.S. UN MISSION

OW270228 Beijing XINHUA in English 0158 GMT 27 Sep 84

[Text] United Nations, September 26 (XINHUA) -- U.S. Secretary of State George Shultz and Soviet Foreign Minister Andrey Gromyko had nearly three-hours of talks here this morning, which Mr. Shultz described as "broad and comprehensive", and serving as "background to the meeting" between U.S. President Ronald Reagan and Mr. Gromyko this coming Friday.

After the meeting, which took place in the U.S. Mission to the United Nations, Gromyko said to reporters waiting outside the mission, "We discussed many questions. Since there are more discussions to come in Washington, the discussions this morning were not concluded, not full." He declined to answer any questions.

Today's meeting was the second this year between Shultz and Gromyko. They met in Stockholm last January when both were attending the conference on confidence-building measures. Gromyko is scheduled to meet President Reagan on Sept. 28 in Washington in their first meeting ever.

PRC PRAISED AT ASIAN FAMILY PLANNING CONFERENCE

OW231922 Beijing XINHUA in English 1908 GMT 23 Sep 84

[Text] Katmandu, September 23 (XINHUA) -- The five-day Asian Parasite Control and Family Planning Conference today stressed the importance of family planning, nutrition and sanitation.

The resolutions adopted at the conference said that the "family planning must be centered on a humanistic approach to the problems of family planning with health. Nutrition and sanitation can alone alleviate the suffering and improve the quality of life for all." The resolutions said that the integrated family planning, nutrition, and parasite control project should be further developed into a comprehensive primary health care system with emphasis on preventive health care activities.

The conference adopted the theme of "healthier children through the integrated project -- a priority for successful family planning with special emphasis in rural communities."

The conference said that China has become a good model in primary health care based on four principles covering preventive, curative, community participation and combination of both modern and traditional medicine.

The conference which concluded today was attended by some 80 representatives from 15 countries from Asia, Africa, North and South America and six international organizations.

TEST OF PRC-UK DECLARATION ON HONG KONG

LD261402 Beijing XINHUA in English 1227 GMT 26 Sep 84

[Text] Beijing, September 26 (XINHUA) -- Following is the full text of the Joint Declaration of the Chinese Government and the British Government on the Question of Hong Kong which was initialled here earlier today:

Joint Declaration of the Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland on the Question of Hong Kong (Initialled Text)

The Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland have reviewed with satisfaction the friendly relations existing between the two governments and peoples in recent years and agreed that a proper negotiated settlement of the question of Hong Kong, which is left over from the past, is conducive to the maintenance of the prosperity and stability of Hong Kong and to the further strengthening and development of the relations between the two countries on a new basis. To this end, they have, after talks between the delegations of the two governments, agreed to declare as follows:

1. The Government of the People's Republic of China declares that to recover the Hong Kong area (including Hong Kong Island, Kowloon and the New Territories, herein-after referred to as Hong Kong) is the common aspiration of the entire Chinese people, and that it has decided to resume the exercise of sovereignty over Hong Kong with effect from 1 July 1997.
2. The Government of the United Kingdom declares that it will restore Hong Kong to the People's Republic of China with effect from 1 July 1997.
3. The Government of the People's Republic of China declares that the basic policies of the People's Republic of China regarding Hong Kong are as follows:

(1) Upholding national unity and territorial integrity and taking account of the history of Hong Kong and its realities, the People's Republic of China has decided to establish, in accordance with the provisions of Article 31 of the Constitution of the People's Republic of China, a Hong Kong Special Administrative Region upon resuming the exercise of sovereignty over Hong Kong.

(2) The Hong Kong Special Administrative Region will be directly under the authority of the Central People's Government of the People's Republic of China. The Hong Kong Special Administrative Region will enjoy a high degree of autonomy, except in foreign and defence affairs which are the responsibilities of the Central People's Government.

(3) The Hong Kong Special Administrative Region will be vested with executive, legislative and independent judicial power, including that of final adjudications. The laws currently in force in Hong Kong will remain basically unchanged.

(4) The government of the Hong Kong Special Administrative Region will be composed of local inhabitants. The chief executive will be appointed by the Central People's Government on the basis of the results of elections or consultations to be held locally. Principal officials will be nominated by the chief executive of the Hong Kong Special Administrative Region for appointment by the Central People's Government. Chinese and foreign nationals previously working in the public and police services in the government departments of Hong Kong may remain in employment. British and other foreign nationals may also be employed to serve as advisers or hold certain public posts in government departments of the Hong Kong Special Administrative Region.

(5) The current social and economic systems in Hong Kong will remain unchanged, and so will the life-style. Rights and freedoms, including those of the person, of speech, of the press, of assembly, of association, of travel, of movement, of correspondence, of strike, of choice of occupation, of academic research and of religious belief will be ensured by law in the Hong Kong Special Administrative Region. Private property, ownership of enterprises, legitimate right of inheritance and foreign investment will be protected by law.

(6) The Hong Kong Special Administrative Region will retain the status of a free port and a separate customs territory.

(7) The Hong Kong Special Administrative Region will retain the status of an international financial centre, and its markets for foreign exchange, gold, securities and futures will continue. There will be free flow of capital. The Hong Kong dollar will continue to circulate and remain freely convertible.

(8) The Hong Kong Special Administrative Region will have independent finances. The Central People's Government will not levy taxes on the Hong Kong Special Administrative Region.

(9) The Hong Kong Special Administrative Region may establish mutually beneficial economic relations with the United Kingdom and other countries, whose economic interests in Hong Kong will be given due regard.

(10) Using the name of "Hong Kong, China", the Hong Kong Special Administrative Region may on its own maintain and develop economic and cultural relations and conclude relevant agreements with states, regions and relevant international organisations.

The government of the Hong Kong Special Administrative Region may on its own issue travel documents for entry into and exit from Hong Kong.

(11) The maintenance of public order in the Hong Kong Special Administrative Region will be the responsibility of the government of the Hong Kong Special Administrative Region.

(12) The above-stated basic policies of the People's Republic of China regarding Hong Kong and the elaboration of them in Annex I to this joint declaration will be stipulated, in a basic law of the Hong Kong Special Administrative Region of the People's Republic of China, by the National People's Congress of the People's Republic of China, and they will remain unchanged for 50 years.

4. The Government of the People's Republic of China and the Government of the United Kingdom declare that during the transitional period between the date of the entry into force of this Joint Declaration and 30 June 1997, the government of the United Kingdom will be responsible for the administration of Hong Kong with the object of maintaining and preserving its economic prosperity and social stability, and that the Government of the People's Republic of China will give its cooperation in this connection.

5. The Government of the People's Republic of China and the Government of the United Kingdom declare that, in order to ensure a smooth transfer of government in 1997, and with a view to the effective implementation of this Joint Declaration, a Sino-British joint liaison group will be set up when this Joint Declaration enters into force, and that it will be established and will function in accordance with the provisions of Annex II to this Joint Declaration.

6. The Government of the People's Republic of China and the Government of the United Kingdom declare that land leases in Hong Kong and other related matters will be dealt with in accordance with the provisions of Annex III to this Joint Declaration.

7. The Government of the People's Republic of China and the Government of the United Kingdom agree to implement the preceding declarations and the annexes to this joint declaration.

8. This Joint Declaration is subject to ratification and shall enter into force on the date of the exchange of instruments of ratification, which shall take place in Beijing before 30 June 1985. This Joint Declaration and its annexes shall be equally binding.

Done in duplicate at Beijing on 26 September 1984 in the Chinese and English languages, both texts being equally authentic.

Signed by Zhou Nan, representative of the Government of the People's Republic of China, and by Richard Evans, representative of the United Kingdom of Great Britain and Northern Ireland.

Annex I

Elaboration by the Government of the People's Republic of China of its basic policies regarding Hong Kong.

The Government of the People's Republic of China elaborates the basic policies of the People's Republic of China regarding Hong Kong as set out in Paragraph 3 of the Joint Declaration of the Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland on the question of Hong Kong as follows:

I

The Constitution of the People's Republic of China stipulates in Article 31 that the state may establish special administrative regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by laws enacted by the National People's Congress in the light of the specific conditions. In accordance with this article, the People's Republic of China shall, upon the resumption of the exercise of sovereignty over Hong Kong on 1 July 1997, establish the Hong Kong Special Administrative Region of the People's Republic of China. The National People's Congress of the People's Republic of China shall enact and promulgate a basic law of the Hong Kong Special Administrative Region of the People's Republic of China (hereinafter referred to as the basic law) in accordance with the Constitution of the People's Republic of China, stipulating that after the establishment of the Hong Kong Special Administrative Region the socialist system and socialist policies shall not be practised in the Hong Kong Special Administrative Region and that Hong Kong's previous capitalist system and life-style shall remain unchanged for 50 years.

The Hong Kong Special Administrative Region shall be directly under the authority of the Central People's Government of the People's Republic of China and shall enjoy a high degree of autonomy. Except for foreign and defence affairs, which are the responsibilities of the Central People's Government, the Hong Kong Special Administrative Region shall be vested with executive, legislative and independent judicial power, including that of final adjudication. The Central People's Government shall authorise the Hong Kong Special Administrative Region to conduct on its own those external affairs specified in Section XI of this annex.

The government and legislature of the Hong Kong Special Administrative Region shall be composed of local inhabitants. The chief executive of the Hong Kong Special Administrative Region shall be selected by election or through consultations held locally and be appointed by the Central People's Government.

Principal officials (equivalent to secretaries) shall be nominated by the chief executive of the Hong Kong Special Administrative Region and appointed by the Central People's Government. The legislature of the Hong Kong Special Administrative Region shall be constituted by elections. The executive authorities shall abide by the law and shall be accountable to the legislature.

In addition to Chinese, English may also be used in organs of government and in the courts in the Hong Kong Special Administrative Region.

Apart from displaying the national flag and national emblem of the People's Republic of China, the Hong Kong Special Administrative Region may use a regional flag and emblem of its own.

II

After the establishment of the Hong Kong Special Administrative Region, the laws previously in force in Hong Kong (i.e. the Common Law), rules of equity, ordinances, subordinate legislation and customary law shall be maintained, save for any that contravene the Basic Law and subject to any amendment by the Hong Kong Special Administrative Region Legislature.

The legislative power of the Hong Kong Special Administrative Region shall be vested in the legislature of the Hong Kong Special Administrative Region. The Legislature may on its own authority enact laws in accordance with the provisions of the Basic Law and legal procedures, and report them to the Standing Committee of the National People's Congress for the record. Laws enacted by the legislature which are in accordance with the Basic Law and legal procedures shall be regarded as valid.

The laws of the Hong Kong Special Administrative Region shall be the Basic Law, and the law previously in force in Hong Kong and laws enacted by the Hong Kong Special Administrative Region legislature as above.

III

After the establishment of the Hong Kong Special Administrative Region, the judicial system previously practised in Hong Kong shall be maintained, except for those changes consequent upon the vesting in the courts of the Hong Kong Special Administrative Region of the power of final adjudication.

Judicial power in the Hong Kong Special Administrative Region shall be vested in the courts of the Hong Kong Special Administrative Region. The courts shall exercise judicial power independently and free from any interference. Members of the judiciary shall be immune from legal action in respect of their judicial functions. The courts shall decide cases in accordance with the laws of the Hong Kong Special Administrative Region and may refer to precedents in other common law jurisdictions.

Judges of the Hong Kong Special Administrative Region courts shall be appointed by the chief executive of the Hong Kong Special Administrative Region acting in accordance with the recommendation of an independent commission composed of local judges, persons from the legal profession and other eminent persons. Judges shall be chosen by reference to their judicial qualities and may be recruited from other common law jurisdictions. A judge may only be removed for inability to discharge the functions of his office, or for misbehaviour, by the chief executive of the Hong Kong Special Administrative Region acting in accordance with the recommendation of a tribunal appointed by the chief judge of the court of final appeal, consisting of not fewer than three local judges.

Additionally, the appointment or removal of principal judges (i.e. those of the highest rank) shall be made by the chief executive with the endorsement of the Hong Kong Special Administrative Region legislature and reported to the Standing Committee of the National People's Congress for the record. The system of appointment and removal of judicial officers other than judges shall be maintained.

The power of final adjudication of the Hong Kong Special Administrative Region shall be vested in the Court of Final Appeal in the Hong Kong Special Administrative Region, which may as required invite judges from other common law jurisdictions to sit on the Court of Final Appeal.

A prosecuting authority of the Hong Kong Special Administrative Region shall control criminal prosecutions free from any interference.

On the basis of the system previously operating in Hong Kong, the Hong Kong Special Administrative Region Government shall on its own make provision for local lawyers and lawyers from outside the Hong Kong Special Administrative Region to work and practise in the Hong Kong Special Administrative Region.

The Central People's Government shall assist or authorise the Hong Kong Special Administrative Region Government to make appropriate arrangements for reciprocal juridical assistance with foreign states.

IV

After the establishment of the Hong Kong Special Administration Region, public servants previously serving in Hong Kong in all government departments, including the Police Department, and members of the judiciary may all remain in employment and continue their service with pay, allowances, benefits and conditions of service no less favourable than before. The Hong Kong Special Administrative Region Government shall pay to such persons who retire or complete their contracts, as well as to those who have retired before 1 July 1997, to their dependents, all pensions, gratuities, allowances and benefits due to them on terms no less favourable than before, and irrespective of their nationality or place of residence.

The Hong Kong Special Administrative Region Government may employ British and other foreign nationals previously serving in the public service in Hong Kong, and may recruit British and other foreign nationals holding permanent identity cards of the Hong Kong Special Administrative Region to serve as public servants at all levels, except as heads of major government departments (corresponding to branches or departments at secretary level) including the Police Department, and as deputy heads of some of those departments. The Hong Kong Special Administrative Region Government may employ British and other foreign nationals as advisers to government departments and, when there is a need may recruit qualified candidates from outside the Hong Kong Special Administrative Region to professional and technical posts in government departments. The above shall be employed only in their individual capacities and, like other public servants, shall be responsible to the Hong Kong Special Administrative Region Government.

The appointment and promotion of public servants shall be on the basis of qualifications, experience and ability. Hong Kong's previous system of recruitment, employment, assessment, discipline, training and management of the public service (including special bodies for appointment, pay and conditions of service) shall, save for any provisions providing privileged treatment for foreign nationals, be maintained.

V

The Hong Kong Special Administrative Region shall deal on its own with financial matters, including disposing of its financial resources and drawing up its budgets and its final accounts.

The Hong Kong Special Administrative Region shall report its budgets and final accounts to the Central People's Government for the record.

The Central People's Government shall not levy taxes on the Hong Kong Special Administrative Region. The Hong Kong Special Administrative Region shall use its financial revenues exclusively for its own purposes and they shall not be handed over to the Central People's Government. The system by which taxation and public expenditure must be approved by the legislature, and by which there is accountability to the legislature for all public expenditure, and the system for auditing public accounts shall be maintained.

VI

The Hong Kong Special Administrative Region shall maintain the capitalist economic and trade systems previously practised in Hong Kong. The Hong Kong Special Administrative Region Government shall decide its economic and trade policies on its own. Rights concerning the ownership of property, including those relating to acquisition, use, disposal, inheritance and compensation for lawful deprivation (corresponding to the real value of the property concerned, freely convertible and paid without undue delay) shall continue to be protected by law.

The Hong Kong Special Administrative Region shall retain the status of a free port and continue a free trade policy, including the free movement of goods and capital. The Hong Kong Special Administrative Region may on its own maintain and develop economic and trade relations with all states and regions.

The Hong Kong Special Administrative Region shall be a separate customs territory. It may participate in relevant international organisations and international trade agreements (including preferential trade arrangements), such as the General Agreement on Tariffs and Trade and arrangements regarding international trade in textiles. Export quotas, tariff preferences and other similar arrangements obtained by the Hong Kong Special Administrative Region shall be enjoyed exclusively by the Hong Kong Special Administrative Region. The Hong Kong Special Administrative Region shall have authority to issue its own certificates of origin for products manufactured locally, in accordance with prevailing rules of origin.

The Hong Kong Special Administrative Region may, as necessary, establish official and semi-official economic and trade missions in foreign countries, reporting the establishment of such missions to the Central People's Government for the record.

VII

The Hong Kong Special Administrative Region shall retain the status of an international financial centre. The monetary and financial systems previously practised in Hong Kong, including the systems of regulation and supervision of deposit taking institutions and financial markets, shall be maintained.

The Hong Kong Special Administrative Region Government may decide its monetary and financial policies on its own. It shall safeguard the free operation of financial business and the free flow of capital within, into and out of the Hong Kong Special Administrative Region. No exchange control policy shall be applied in the Hong Kong Special Administrative Region. Markets for foreign exchange, gold, securities and futures shall continue.

The Hong Kong Dollar, as the local legal tender, shall continue to circulate and remain freely convertible. The authority to issue Hong Kong currency shall be vested in the Hong Kong Special Administrative Region Government.

The Hong Kong Special Administrative Region Government may authorise designated banks to issue or continue to issue Hong Kong currency under statutory authority, after satisfying itself that any issue of currency will be soundly based and that the arrangements for such issue are consistent with the object of maintaining the stability of currency. Hong Kong currency bearing references inappropriate to the status of Hong Kong as special administrative region of the People's Republic of China shall be progressively replaced and withdrawn from circulation.

The exchange fund shall be managed and controlled by the Hong Kong Special Administrative Region Government, primarily for regulating the exchange value of the Hong Kong dollar.

VIII

The Hong Kong Special Administrative Region shall maintain Hong Kong's previous systems of shipping management and shipping regulation, including the system for regulating conditions of seamen. The specific functions and responsibilities of the Hong Kong Special Administrative Region Government in the field of shipping shall be defined by the Hong Kong Special Administrative Region Government on its own. Private shipping businesses and shipping-related businesses and private container terminals in Hong Kong may continue to operate freely.

The Hong Kong Special Administrative Region shall be authorised by the Central People's Government to continue to maintain a shipping register and issue related certificates under its own legislation in the name of "Hong Kong, China."

With the exception of foreign warships, access for which requires the permission of the Central People's Government, ships shall enjoy access to the ports of the Hong Kong Special Administrative Region in accordance with the laws of the Hong Kong Special Administrative Region.

IX

The Hong Kong Special Administrative Region shall maintain the status of Hong Kong as a centre of international and regional aviation. Airlines incorporated and having their principal place of business in Hong Kong and civil aviation related businesses may continue to operate. The Hong Kong Special Administrative Region shall continue the previous system of civil aviation management in Hong Kong, and keep its own aircraft register in accordance with provisions laid down by the Central People's Government concerning nationality marks and registration marks of aircraft. The Hong Kong Special Administrative Region shall be responsible on its own for matters of routine business and technical management of civil aviation, including the management of airports, the provision of air traffic services within the flight information region of the Hong Kong Special Administrative Region, and the discharge of other responsibilities allocated under the regional air navigation procedures of the International Civil Aviation Organisation.

The Central People's Government shall, in consultation with the Hong Kong Special Administrative Region Government, make arrangements providing for air services between the Hong Kong Special Administrative Region and other parts of the People's Republic of China for airlines registered and having their principal place of business in the Hong Kong Special Administrative Region and other airlines of the People's Republic of China. All civil air service agreements providing for air services between other parts of the People's Republic of China and other states and regions with stops at the Hong Kong Special Administrative Region and air services between the Hong Kong Special Administrative Region and other states and regions with stops at other parts of the People's Republic of China shall be concluded by the Central People's Government.

For this purpose, the Central People's Government shall take account of the special conditions and economic interests of the Hong Kong Special Administrative Region and consult the Hong Kong Special Administrative Region Government. Representatives of the Hong Kong Special Administrative Region Government may participate as members of delegations of the Government of the People's Republic of China in air service consultations with foreign governments concerning arrangements for such services.

Acting under specific authorisations from the Central People's Government, the Hong Kong Special Administrative Region Government may:

- Renew or amend civil air service agreements and arrangements previously in force. In principle, all such agreements and arrangements may be renewed or amended with the rights contained in such previous agreements and arrangements being as far as possible maintained.
- Negotiate and conclude new civil air service agreements providing routes for airlines registered and having their principal place of business in the Hong Kong Special Administrative Region and rights for overflights and technical stops. And
- Negotiate and conclude provisional arrangements where no civil air service agreement with a foreign state or other region is in force.

All scheduled air services to, from or through the Hong Kong Special Administrative Region which do not operate to, from or through the mainland of China shall be regulated by civil air service agreements or provisional arrangements referred to in this paragraph.

The Central People's Government may give the Hong Kong Special Administrative Region Government the authority to:

- Negotiate and conclude with other authorities all arrangements concerning the implementation of the above civil air service agreements and provisional arrangements.
- Issue licences to airlines registered and having their principal place of business in Hong Kong Special Administrative Region.
- Designate such airlines under the above civil air service agreements and provisional arrangements. And
- Issue permits to foreign airlines for services other than those to, from or through the mainland of China.

X

The Hong Kong Special Administrative Region shall maintain the educational system previously practiced in Hong Kong. The Hong Kong Special Administrative Region Government shall on its own decide policies in the fields of culture, education, science and technology, including policies regarding the educational system and its administration, the language of instruction, the allocation of funds, the examination system, the system of academic awards and the recognition of educational and technological qualifications. Institutions of all kinds, including those run by religious and community organisations, may retain their autonomy. They may continue to recruit staff and use teaching materials from outside the Hong Kong Special Administrative Region. Students shall enjoy freedom of choice of education and freedom to pursue their education outside the Hong Kong Special Administrative Region.

XI

Subject to the principle that foreign affairs are the responsibility of the Central People's Government, representatives of the Hong Kong Special Administrative Region Government may participate, as members of delegations of the Government of the People's Republic of China, in negotiations at the diplomatic level directly affecting the Hong Kong Special Administrative Region conducted by the Central People's Government. The Hong Kong Special Administrative Region may on its own, using the name Hong Kong, China, maintain and develop relations and conclude and implement agreements with states, regions and relevant international organisations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications touristic, cultural and sporting fields. Representatives of the Hong Kong Special Administrative Region Government may participate, as members of delegations of the Government of the People's Republic of China, in international organisations or conferences in appropriate fields limited to states and affecting the Hong Kong Special Administrative Region, or may attend in such other capacity as may be permitted by the Central People's Government and the organisation or conference concerned, and may express their views in the name of Hong Kong, China. The Hong Kong Special Administrative Region may, using the name Hong Kong, China, participate in international organisations and conferences not limited to states.

The application to the Hong Kong Special Administrative Region of international agreements which the People's Republic of China has concluded shall be decided by the Central People's Government, in accordance with the circumstances and needs of the Hong Kong Special Administrative Region, and after seeking the views of the Hong Kong Special Administrative Region Government. International agreements to which the People's Republic of China is not a party but which are implemented in Hong Kong may remain implemented in the Hong Kong Special Administrative Region. The Central People's Government shall, as necessary, authorise or assist the Hong Kong Special Administrative Region Government to make appropriate arrangements for the application to the Hong Kong Special Administrative Region of other relevant international agreements. The Central People's Government shall take the necessary steps to ensure that the Hong Kong Special Administrative Region shall continue to retain its status in an appropriate capacity in those international organisations of which the People's Republic of China is a member and in which Hong Kong participates in one capacity or another. The Central People's Government shall, where necessary, facilitate the continued participation of the Hong Kong Special Administrative Region in an appropriate capacity in those international organisations in which Hong Kong is a participant in one capacity or another, but of which the People's Republic of China is not a member.

Foreign consular and other official or semi-official missions may be established in the Hong Kong Special Administrative Region with the approval of the Central People's Government. Consular and other official missions established in Hong Kong by states which have established formal diplomatic relations with the People's Republic of China may be maintained. According to the circumstances of each case, consular and other official missions of states having no formal diplomatic relations with the People's Republic of China may either be maintained or changed to semi-official missions. States not recognised by the People's Republic of China can only establish non-government institutions.

The United Kingdom may establish a consulate-general in the Hong Kong Special Administrative Region.

XII

The maintenance of public order in the Hong Kong Special Administrative Region shall be the responsibility of the Hong Kong Special Administrative Region Government.

Military forces sent by the Central People's Government to be stationed in the Hong Kong Special Administrative Region for the purpose of defence shall not interfere in the internal affairs of the Hong Kong Special Administrative Region. Expenditure for these military forces shall be borne by the Central People's Government.

XIII

The Hong Kong Special Administrative Region Government shall protect the rights and freedoms of inhabitants and other persons in the Hong Kong Special Administrative Region according to law. The Hong Kong Special Administrative Region Government shall maintain the rights and freedoms as provided for by the laws previously in force in Hong Kong, including freedom of the person, of speech, of the press, of assembly, of association, to form and join trade unions, of correspondence, of travel, of movement, of strike, of demonstration, of choice of occupation, of academic research, of belief, inviolability of the home, the freedom to marry and the right to raise a family freely.

Every person shall have the right to confidential legal advice, access to the courts, representation in the courts by lawyers of his choice, and to obtain judicial remedies. Every person shall have the right to challenge the actions of the executive in the courts.

Religious organizations and believers may maintain their relations with religious organizations and believers elsewhere, and schools, hospitals and welfare institutions run by religious organizations may be continued. The relationship between religious organizations in the Hong Kong Special Administrative Region and those in other parts of the People's Republic of China shall be based on the principles of non-subordination, non-interference and mutual respect.

The Provisions of the international covenant on civil and political rights and the international covenant on economic, social and cultural rights as applied to Hong Kong shall remain in force.

XIV

The following categories of persons shall have the right of abode in the Hong Kong Special Administrative Region, and, in accordance with the law of the Hong Kong Special Administrative Region, be qualified to obtain permanent identity cards, issued by the Hong Kong Special Administrative Region Government, which state their right of abode:

-- All Chinese nationals who were born or who have ordinarily resided in Hong Kong before or after the establishment of the Hong Kong Special Administrative Region for a continuous period of 7 years or more, and persons of Chinese nationality born outside Hong Kong of such Chinese nationals.

-- All other persons who have ordinarily resided in Hong Kong before or after the establishment of the Hong Kong Special Administrative Region for a continuous period of 7 years or more and who have taken Hong Kong as their place of permanent residence before or after the establishment of the Hong Kong Special Administrative Region, and persons under 21 years of age who were born of such persons in Hong Kong before or after the establishment of the Hong Kong Special Administrative Region.

-- Any other persons who had the right of abode only in Hong Kong before the establishment of the Hong Kong Special Administrative Region.

The Central People's Government shall authorise the Hong Kong Special Administrative Region Government to issue, in accordance with the law, passports of the Hong Kong Special Administrative region of the People's Republic of China to all Chinese nationals who hold permanent identity cards of the Hong Kong Special Administrative Region, and travel documents of the Hong Kong Special Administrative Region of the People's Republic of China to all other persons lawfully residing in the Hong Kong special administrative region. The above passports and documents shall be valid for all states and regions and shall record the holder's right to return to the Hong Kong Special Administrative Region.

For the purpose of travelling to and from the Hong Kong Special Administrative Region, residents of the Hong Kong Special Administrative region may use travel documents issued by the Hong Kong Special Administrative Region Government, or by other competent authorities of the People's Republic of China, or of other states. Holders of permanent identity cards of the Hong Kong Special Administrative Region may have this fact stated in their travel documents to prove their right of abode in the Hong Kong Special Administrative Region.

Entry into the Hong Kong Special Administrative Region of persons from other parts of China shall continue to be regulated in accordance with the present practice.

The Hong Kong Special Administrative Region Government may apply immigration controls on entry, stay in and departure from the Hong Kong Special Administrative Region by persons from foreign states and regions.

Unless restrained by law, holders of valid travel documents shall be free to leave the Hong Kong Special Administrative Region without special authorisation.

The Central People's Government shall assist or authorise the Hong Kong Special Administrative Region Government to conclude visa abolition agreements with states or regions.

Annex II

Sino-British Joint Liaison Group

1. In furtherance of their common aim and in order to ensure a smooth transfer of government in 1997, the Government of the People's Republic of China and the Government of the United Kingdom have agreed to continue their discussions in a friendly spirit and to develop the cooperative relationship which already exists between the two governments over Hong Kong with a view to the effective implementation of the Joint Declaration.

2. In order to meet the requirements for liaison, consultation and the exchange of information, the two governments have agreed to set up a joint liaison group.

3. The functions of the Joint Liaison Group shall be: (A) To conduct consultations on the implementation of the joint declaration.

(B) To discuss matters relating to the smooth transfer of government in 1997.

(C) To exchange information and conduct consultations on such subjects as may be agreed by the two sides. Matters on which there is disagreement in the Joint Liaison Group shall be referred to the two governments for solution through consultations.

4. Matters for consideration during the first half of the period between the establishment of the Joint Liaison Group and 1 July 1997 shall include:

(A) Action to be taken by the two governments to enable the Hong Kong Special Administrative Region to maintain its economic relations as a separate customs territory, and in particular to ensure the maintenance of Hong Kong's participation in the General Agreement on Tariffs and Trade, the Multifibre Arrangement and other international arrangements, and

(B) Action to be taken by the two governments to ensure the continued application of international rights and obligations affecting Hong Kong.

5. The two governments have agreed that in the second half of the period between the establishment of the Joint Liaison Group and 1 July 1997 there will be need for closer cooperation, which will therefore be intensified during that period. Matters for consideration during this second period shall include:

(A) Procedures to be adopted for the smooth transition in 1997.

(B) Action to assist the Hong Kong Special Administrative Region to maintain and develop economic and cultural relations and conclude agreements on these matters with states, regions and relevant international organizations.

6. The Joint Liaison Group shall be an organ for liaison and not an organ of power. It shall play no part in the administration of Hong Kong or the Hong Kong Special Administrative Region. Nor shall it have any supervisory role over that administration. The members and supporting staff of the Joint Liaison Group shall only conduct activities within the scope of the functions of the Joint Liaison Group.

7. Each side shall designate a senior representative, who shall be of ambassadorial rank, and four other members of the group. Each side may send up to 20 supporting staff.

8. The Joint Liaison Group shall be established on the entry into force of the joint declaration. From 1 July 1988 the Joint Liaison Group shall have its principal base in Hong Kong. The Joint Liaison Group shall continue its work until 1 January 2000.

9. The Joint Liaison Group shall meet in Beijing, London and Hong Kong. It shall meet at least once in each of the three locations in each year. The venue for each meeting shall be agreed between the two sides.

10. Members of the Joint Liaison Group shall enjoy diplomatic privileges and immunities as appropriate when in the three locations. Proceedings of the Joint Liaison Group shall remain confidential unless otherwise agreed between the two sides.

11. The Joint Liaison Group may by agreement between the two sides decide to set up specialist sub-groups to deal with particular subjects requiring expert assistance.

12. Meetings of the Joint Liaison Group and sub-groups may be attended by experts other than the members of the Joint Liaison Group. Each side shall determine the composition of its delegation to particular meetings of the Joint Liaison Group or sub-group in accordance with the subjects to be discussed and the venue chosen.

13. The working procedures of the Joint Liaison Group shall be discussed and decided upon by the two sides within the guidelines laid down in this annex.

Annex III

Land Leases

The Government of the People's Republic of China and the Government of the United Kingdom have agreed that, with effect from the entry into force of the joint declaration, land leases in Hong Kong and other related matters shall be dealt with in accordance with the following provisions.

1. All leases of land granted or decided upon before the entry into force of the joint declaration and those granted thereafter in accordance with paragraphs 2 or 3 of this annex, and which extend beyond 30 June 1997 and all rights in relation to such leases shall continue to be recognised and protected under the law of the Hong Kong Special Administration Region.
2. All leases of land granted by the British Hong Kong Government not containing a right of renewal that expire before 30 June 1997, except short term tenancies and leases for special purposes, may be extended if the lessee so wishes for a period expiring not later than 30 June 2047 without payment of an additional premium. An annual rent shall be charged from the date of extension equivalent to 3 per cent of the rateable value of the property at that date, adjusted in step with any changes in the rateable value thereafter. In the case of old schedule lots, village lots, small houses and similar rural holdings, where the property was on 30 June 1984 held by, or, in the case of small houses granted after that date, the property is granted to, a person descended through the male line from a person who was in 1898 a resident of an established village in Hong Kong, the rent shall remain unchanged so long as the property is held by that person or by one of his lawful successors in the male line. Whereas leases of land not having a right of renewal expire after 30 June 1977, they shall be dealt with in accordance with the relevant land laws and policies of the Hong Kong Special Administrative Region.
3. From the entry into force of the joint declaration until 30 June 1997, new leases of land may be granted by the British Hong Kong Government for terms expiring not later than 30 June 2047. Such leases shall be granted at a premium and nominal rental until 30 June 1997, after which date they shall not require payment of an additional premium but an annual rent equivalent to 3 per cent of the rateable value of the property at that date, adjusted in step with changes in the rateable value thereafter, shall be charged.
4. The total amount of new land to be granted under paragraph 3 of this annex shall be limited to 50 hectares a year (excluding land to be granted to the Hong Kong Housing Authority for public rental housing) from the entry into force of the joint declaration until 30 June 1997.
5. Modifications of the conditions specified in leases granted by the British Hong Kong Government may continue to be granted before 1 July 1997 at premium equivalent to the difference between the value of the land under the previous conditions and its value under the modified conditions.
6. From the entry into force of the joint declaration until 30 June 1997, premium income obtained by the British Hong Kong Government from land transactions shall, after deduction of the average cost of land production, be shared equally between the British Hong Kong Government and the future Hong Kong Special Administrative Region Government. All the income obtained by the British Hong Kong Government, including the amount of the above mentioned deduction, shall be put into the capital works reserve fund for the financing of land development and public works in Hong Kong.

The Hong Kong Special Administrative Region Government's share of the premium income shall be deposited in banks registered in Hong Kong and shall not be drawn on except for the financing of land development and public works in Hong Kong in accordance with the provisions of paragraph 7 (D) of this annex.

7. A Land Commission shall be established in Hong Kong immediately upon the entry into force of the joint declaration. The Land Commission shall be composed of an equal number of officials designated respectively by the Government of the People's Republic of China and the Government of the United Kingdom, together with necessary supporting staff. The officials of the two sides shall be responsible to their respective governments. The land commission shall be dissolved on 30 June 1997.

The terms of reference of the Land Commission shall be:

- (A) to conduct consultations on the implementation of this annex.
- (B) To monitor observance of the limit specified in paragraph 4 of this annex, the amount of land granted to the Hong Kong Housing Authority for public rental housing, and the division and use of premium income referred to in paragraph 6 of this annex.
- (C) To consider and decide on proposals from the British Hong Kong Government for increasing the limit referred to in paragraph 4 of this annex.
- (D) To examine proposals for drawing on the Hong Kong Special Administrative Region Government's share of premium income referred to in paragraph 6 of this annex and to make recommendations to the Chinese side for decision.

Matters on which there is disagreement in the Land Commission shall be referred to the Government of the People's Republic of China and the Government of the United Kingdom for decision.

8. Specific details regarding the establishment of the Land Commission shall be finalised separately by the two sides through consultations.

RENMIN RIBAO EDITORIAL ON HONG KONG ACCORD

OW270034 Beijing XINHUA Domestic Service in Chinese 1543 GMT 26 Sep 84

[Text] of 27 September RENMIN RIBAO editorial: "An Important Event of Historic Significance"]

[Text] Beijing, 26 Sep (XINHUA) -- Some inspiring good news has arrived on the eve of the 35th anniversary of the founding of the People's Republic of China which the whole country will joyfully celebrate: The Chinese Government and the British Government initiated a joint declaration on the Hong Kong issue on 26 September. The joint declaration confirms that China will recover Hong Kong and resume the exercise of sovereignty over it in 1997. At the same time, the two governments have made various arrangements for maintaining Hong Kong's stability and prosperity. The Hong Kong question, which was left over from the past, has thus been satisfactorily settled. The unfortunate history of Hong Kong's being under foreign rule will come to an end. The humiliation suffered by the Chinese people in the past will be wiped out. This is an important event of historic significance that merits warm celebration by the people of all nationalities in China, including the Hong Kong compatriots, and which will surely be welcomed and admired universally by the people of all countries in the world.

To reunify the motherland is one of the three great tasks of the Chinese people in the new period. Hong Kong has always been a part of China's territory.

To recover Hong Kong and resume the exercise of sovereignty over it is a component part of the great cause of the motherland's reunification, as well as the common aspiration and sacred responsibility of the 1 billion Chinese people.

Now, the Chinese Government and the British Government have finally reached an agreement to the satisfaction of both sides through the diplomatic process and through friendly negotiations. This piece of land, which has been separated from the motherland for over 100 years, will return to the embrace of the motherland after a transitional period. The satisfactory settlement of the Hong Kong question has enabled us to take a big stride forward on the road of reunifying the motherland. People throughout China have a reason to be elated and proud.

Ever since the founding of the People's Republic of China, the Chinese Government has time and again stated that Hong Kong is China's territory, that China does not recognize the unequal treaties foreign powers imposed on China during the 19th century, and that this issue left over from history will be settled peacefully through negotiations at an appropriate time. During the past 35 years since the founding of the People's Republic, tremendous changes have taken place in the international situation and in our country's foreign relations, and with the year 1997 approaching day by day, the time for settling the Hong Kong issue apparently is ripe. Considering Hong Kong's historical background and actual situation as well as the legitimate interests of all quarters, and for the sake of maintaining Hong Kong's stability and prosperity, the Chinese Government has decided that, after the restoration of Hong Kong, its current social and economic systems and living style will remain unchanged for 50 years; and that Hong Kong will become a special administrative region directly under the central People's Government, which will be administered by the local Hong Kong people themselves and will enjoy a high degree of autonomy.

Such a whole set of special policies, which are different from those in mainland China, are in the fundamental interests of the people of the whole country, including our countrymen in Hong Kong, and they are practical, fair, and rational. The People's Republic of China will, be formulating the Hong Kong Special Administrative Region Basic Law, codify these policies into law. The implementation of these policies will ensure that after 1997 Hong Kong will remain prosperous and stable, and will continue to play its role as a free port and an international financial and trade center. This is beneficial to our countrymen in Hong Kong and conducive as well to the motherland's socialist modernization.

In the course of their protracted revolutionary struggle and construction, the Chinese people have always stood for solving all kinds of practical problems in a creative way in accordance with China's actual situation. Chairman Deng Xiaoping said: China has its Hong Kong and Taiwan Question. What is the solution to this question? I think the only solution lies in having two systems in one country. The policy of "one country, two systems" is a long-range policy decision that has been carefully considered and is by no means an expedient measure. It has clearly been prescribed in Article 31 of the Constitution of the People's Republic of China that "the state may establish special administration regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by law enacted by the National People's Congress in light of specific conditions." This constitutional article is applicable both to Taiwan and Hong Kong.

This reflects a high degree of principle and flexibility, showing that China's policy is absolutely unequivocal with regard to the principle of safeguarding its sovereignty, unity and territorial integrity; but it also reflects the fact that China will, with regard to specific policies and measures, give ample consideration to the actual situation and the interests of all quarters. The implementation of this important national policy of "one country, two systems" suits the need for national reunification, as well as the need for national prosperity.

This far-sighted concept, which has been applied in solving the Hong Kong question, is practical and completely correct. Successful settlement of the Hong Kong question will not only help expedite the return of Taiwan to the motherland, but will also have a far-reaching effect internationally.

The Hong Kong question is a question left over from history between China and Britain, and this question must be settled. Resumption of sovereignty over Hong Kong is essentially a matter concerning Chinese sovereignty, and China, as a sovereign state, is entitled to restore its own territories any way it wants. However, considering the friendly relations between China and Britain, the Chinese Government nevertheless expressed its willingness to have peaceful negotiations with the British Government so the problem could be properly settled. China and Britain, which have put the general interest, their friendship, and their cooperation first, and which have settled the Hong Kong question through negotiations, have shown the whole world that, as long as two countries are sincere and realistic, and try to understand each other and cooperate with each other, it is not difficult for them to find solutions to historical problems between them. The successful settlement of the Hong Kong question not only will cure the wounds left over from history between China and Britain, it certainly will usher Sino-British relations into a new phase, and there certainly will be a greater development between the two countries' friendship and cooperation.

There are now only 13 years before China resumes its sovereignty over Hong Kong. During this transitional period, China and Britain must be highly cooperative in many areas. The British Government has repeatedly indicated that it will maintain Hong Kong's stability and prosperity during the transitional period. We welcome this attitude expressed by the British side. In regard to the various arrangements for the transitional period, they have been clearly prescribed in an annex of the "Joint Declaration" with regard to the "Sino-British Joint Liaison Group." We hope that, during the next 13 years, both China and Britain will keep their promises and carry out effective cooperation in all fields, refrain from doing what might upset Hong Kong's stability and prosperity, and create the conditions for ensuring a smooth transition of government in 1997. Without doubt this will benefit both China and Britain, and will be highly favorable to the peace and stability of Asia and the world.

The successful settlement of the Hong Kong question totally accords with the aspirations of our countrymen in Hong Kong. The broad masses of traditionally patriotic countrymen in Hong Kong love their motherland and Hong Kong, and they have lofty ideals and aspirations. They support reunification of the motherland, and hope Hong Kong will remain a prosperous and stable place. With their wisdom and intelligence and with the motherland's strong backing they are confident they can do a good job in administering Hong Kong. We hope our countrymen in Hong Kong will display the spirit of being masters of their own house, and contribute to Hong Kong's prosperity and development, and contribute to the smooth transfer of government in 1997. We firmly believe that, like, the future of the motherland, the future of Hong Kong is extremely hopeful and incomparably bright!

I. 27 Sep 84

CHINA
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ZHANG AIPING VIEWS PHOTOGRAPHY EXHIBITION

OW261319 Beijing XINHUA Domestic Service in Chinese 1555 GMT 21 Sep 84

[By reporter Zheng Qianli]

[Text] Beijing 21 Sep (XINHUA) -- The Second Shenjian [Magical Sword] Photography and Calligraphy Art exhibition formally opened at the China Art Gallery in Beijing on 21 September. On display, in 3 halls in the gallery are close-ups of missile launchings, rare photographs of the older generation of proletarian revolutionaries visiting the missile launching sites, and magnificent scenes of armored vehicles coming out of factories. The more than 500 items displayed at the exhibition vividly reflect the hard efforts and dedication to the modernization of national defense by the large number of personnel working on the fronts of science, technology, and industry for national defense. The exhibition is jointly sponsored by the Political Department of the Commission of Science, Technology, and Industry for National Defense; the Chinese Trade Union of National Defense Industry; the Chinese Artists Association; the Chinese Photographers Association; the Chinese Calligraphers Association; and the Shenjian Society of Literature and Art. Zhang Aiping, state councillor and concurrently minister of national defense, and CPPCC National Committee Vice Chairman Yang Chengwu and Chen Zaidao visited the preview of the exhibition. The exhibition will close on 7 October.

ULANHU, YANG JINGREN WATCH DRAMA IN BEIJING

OW261457 Beijing XINHUA Domestic Service in Chinese 0806 GMT 24 Sep 84

[Excerpts] Beijing, 24 Sep (XINHUA) -- On the evening of 23 September, Ulanhu, member of the Political Bureau of the CPC Central Committee and vice president of the People's Republic of China, Yang Jingren, minister in charge of the State Nationalities Affairs Commission and head of the United Front Work Department of the CPC Central Committee, and others watched the "Happy People of Misfortune," a drama describing the life of national minorities in Xinjiang. The drama, staged at the Workers Club in Beijing, tells about the life of several young people of Uygur nationalities, describing their different attitudes toward love and careers, and hailing the spirit of reform of the younger generation. During a conversation in the lounge with the leading cadres, playwright, and director of the Troupe No 1 of the Chinese Youth Art Theatrical Company prior to the performance, Ulanhu, Yang Jingren, and others pointed out that there should be more theatrical works about national minorities, and that cultural exchanges among people of all nationalities should be promoted. They said that China is a big country of many nationalities, that people of all nationalities have made brilliant contributions to revolution and construction, and that writers and theatrical workers must go deep into the realities of life to discover stories with distinctive ethnic characteristics, create more theatrical works popular among national minorities, and promote theatrical works that reflect the life and struggle of national minorities.

YU QIULI STRESSES SCIENTIFIC STUDIES FOR PLA

OW261353 Beijing XINHUA Domestic Service in Chinese 1300 GMT 23 Sep 84

[By reporter Zhao Qi]

[Text] Hangzhou, 23 Sep (XINHUA) -- Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the PLA General Political Department, emphatically pointed out on 23 September that studying science and general knowledge and training skilled personnel for both military and civilian construction is an important reform in Army building.

Imbued with a strategic vision to build a modern Army, an overall view to carry out the four modernizations in China, and love for the Army under the new historical conditions leaders at various levels in the Army must strive to improve their work and train skilled personnel for both Army building and the modernization drive.

Yu Qiuli made the above remark in a speech at the closing ceremony of a meeting to exchange experiences among Navy units in studying science and general knowledge and training dual-purpose skilled personnel, which was attended by responsible comrades from all major Army units. He said that as Vice Chairman of the Military Commission Yang Shangkun pointed out: "The key to Army modernization lies in skilled personnel. Without training a large number of modern military personnel, the modernization of the Army is out of the question." Yu Qiuli praised the Navy units for opening up a new situation in studying science and general knowledge and training dual-purpose personnel within a short period of time and commended certain corvette units under the East China Sea Fleet for making good use of the Navy's advantages and successfully training skilled personnel within its own capabilities. He also thanked various local civilian units for their active support to the Navy units in training dual-purpose skilled personnel.

Reviewing the progress in studying science and general knowledge and training dual-purpose skilled personnel in the whole Army, Yu Qiuli said: Currently over half a million cadres and two million fighters are enrolled in various classes to study science, general knowledge, and specialized technical knowledge. The number of students, their enthusiasm, and the results are unprecedented. Although the work of studying science and general knowledge and training dual-purpose skilled personnel has unfolded throughout the Army within a short period of time, it has enabled cadres and fighters to keep their minds on military service, mobilized the enthusiasm of the masses, raised the Army's quality, enhanced its combat capability, and has trained skilled personnel for local and national construction.

Setting new requirements for studying science and general knowledge and training dual-purpose skilled personnel in the whole Army, Yu Qiuli said that the Central Military Commission has pointed out that in studying science and general knowledge, Army cadres must first reach the level of senior middle schools and then the college level. Those who have already reached college level must continue to study to update their knowledge. It is necessary to encourage fighters to study science and general knowledge and pay special attention to the study of science and general knowledge by fighters applying for admission to military academies. It is also necessary to organize cadres and fighters to learn special technical knowledge needed for local construction and train them with a certain specialized knowledge so that they can make good use of their talents in local socialist construction after they are transferred to civilian job or retire to settle down in their native place.

He said: Leaders at various levels in the Army must emancipate the mind, have the courage to break away from old ideas, and creatively implement the instructions of the CPC Central Committee and the Central Military Commission in accordance with the actual situation in order to successfully carry out the work which has a vital bearing on the long-term building of our Army and to accelerate the training of skilled personnel to meet the needs of Army building and national construction. It is necessary to open up all channels and bring into full play the advantages of each unit in the light of the reality and refrain from following a single pattern in training dual-purpose skilled personnel. Special technical units should make full use of their advantages in equipment and technical knowledge in training highly qualified dual-purpose skilled personnel. It is also necessary to make good use of the advantages of the locality where a PLA unit is stationed and combine Army and civilian efforts to jointly build spiritual civilization with Army and local efforts to train skilled personnel. Under the unified leadership of party committees, study of science and general knowledge and training of dual-purpose personnel should be included in regular educational training.

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PLA Navy Political Commissar Li Yaowen gave a summary report at the closing ceremony, urging all Navy commanders and fighters to achieve further progress in studying science and general knowledge and training dual-purpose skilled personnel.

Zhejiang Provincial CPC Committee Secretary Wang Fang and Shanghai Municipal CPC Committee Second Secretary Hu Lijiao spoke on two different occasions during the meeting, pledging vigorous support for local PLA units in studying science and general knowledge and training dual-purpose personnel.

YAO YILIN, TIAN JIYUN, CHEN MUHUA VIEW FILMS

OW261141 Beijing XINHUA in English 1723 GMT 25 Sep 84

[Text] Beijing, September 25 (XINHUA) -- The Ministry of Foreign Economic Relations and Trade held a film reception in the Great Hall of the People here today.

The two films shown at the reception "China's Foreign Trade" and "China Absorbs Foreign Funds" introduce the development of China's foreign trade and economic and technical cooperation with foreign countries in recent years.

Present at the reception were Vice-Premiers Yao Yilin and Tian Jiyun, and State Councilor and Minister of Foreign Economic Relations and Trade Chen Muhua, as well as over 700 people from departments in the Chinese capital.

Present also were diplomatic envoys of various countries, and representatives of Beijing-based United Nations organizations and foreign enterprises and banks.

YANG SHANGKUN, OTHERS AT FORUM FOR LENIN WORKS

OW270140 Beijing XINHUA Domestic Service in Chinese 1512 GMT 24 Sep 84

[By reporter Li Guangru]

[Excerpts] Beijing, 24 Sep (XINHUA) -- A forum on the publication of a new edition of "The Collected Works of Lenin" was held at the Great Hall of the People on the afternoon of 24 September.

Yang Shangkun, Hu Qiaomu, Deng Liqun, Bo Yibo, and Wang Renzhong attended the forum to offer their congratulations and extend deep gratitude to comrades who had worked hard for the compilation, translation, and publication of the new edition of "The Collected Works of Lenin."

The new edition of "The Collected Works of Lenin" was compiled and translated by the CPC Central Committee's Bureau for Translation of Marx-Engels-Lenin-Stalin's works and published by the People's Publishing House in accordance with a decision of the CPC Central Committee.

The new edition of the collected works, which contains 60 volumes and 26 million words, reflects Lenin's entire ideological legacy in a fuller and more accurate way. It is the most extensive edition of "The Collected Works of Lenin" of all the contemporary editions of the collected works.

Speaking at the forum, member of the Political Bureau of the CPC Central Committee Yang Shangkun said: The course of victory won in China's revolution and construction is also the course of Marxism-Leninism spreading and taking root in China.

Our party has always paid keen attention to the translation, introduction, study, and research of the classical works of Marxism-Leninism and, by persistently integrating the universal truth of Marxism-Leninism with the practice of revolution in China, formed Mao Zedong Thought. At the present, to study Marxism-Leninism better in order to raise the whole party's theoretical level is of pressing immediate significance for smoothly carrying out the socialist modernization drive. The compilation, translation, publication, and distribution of the new edition of "The Collected Works of Lenin" will certainly play an important role in this aspect.

Member of the Political Bureau of the CPC Central Committee Hu Qiaomu emphatically pointed out in his speech: It is necessary to effectively and creatively apply the universal truth of Marxism-Leninism to the concrete practice of socialist construction in China. He said: Added to the new edition of "The Collected Works of Lenin" are many of his theses written after the October Revolution. They can help us understand Lenin more comprehensively and deeply. He pointed out: In building socialism with distinctively Chinese characteristics, of course, it is impossible to find the answers from Marxist-Leninist works. However, we must always bear in mind the fundamental principles of Marxism-Leninism and study new situations and solve new problems in the light of Marxist-Leninist stands, views, and methods. He called on the theoretical workers to extensively publicize the new content of "The Collected Works of Lenin" so that Lenin's ideology concerning socialist construction can be studied and grasped by more people.

Vice Chairman of the Advisory Commission of the CPC Central Committee Bo Yibo said: As a Communist Party member and a reader, I believe that this generation of people is very fortunate to have the opportunity to read the new edition of "The Collected Works of Lenin." During the time of great revolution, a copy of the document was like a treasure because reading a book on Marxism-Leninism faced the danger of being arrested at anytime. Although I am at an advanced age, I still feel insufficient in my theoretical cultivation. All party members, especially senior cadres, must make great efforts to study this edition of the collected works.

The forum was chaired by Jiang Chunfang, adviser to the Bureau for Translation of Marx-Engels-Lenin-Stalin's Works, and attended by over 300 people from theoretical, translation, and publication circles.

RENMIN RIBAO ON REFORM OF SURVEY, DESIGN WORK

HK261055 Beijing RENMIN RIBAO in Chinese 21 Sep 84 p 1

[Report by Xiao Tihuan: "Survey and Design Units Under the Ministry of Urban and Rural Construction and Environmental Protection Carry Out Reforms to Turn Themselves Into Communist-Oriented Enterprises"]

[Text] Survey and design units under the Ministry of Urban and Rural Construction and Environmental Protection have persisted in discarding the practice of "eating from the same big pot" and have increased the number of reform experiments so as to turn themselves into community-oriented enterprises. This has effectively brought into play the initiative of design units and designers. Over the last 5 years, survey and design tasks have been completed in a better manner than those in the past. Most of the 219 design projects selected this year are up to a functional standard and are characterized by innovation and advanced technology.

There are some 1,000 survey and design units and 60,000 persons under the Ministry of Urban and Rural Construction and Environmental Protection, about one-sixth of the number of persons in the country's engineering and design contingent. For a long time in the past, the tasks undertaken by these units were assigned by the higher authorities according to the departments they belonged to or according to division by regions.

Therefore, they did not have enough initiative and their competitiveness was poor. Funds were allocated by the higher authorities according to the number of persons in the units, so the more they worked, the lower the funds. Since 1979, they have been carrying out design work reform by proceeding from construction, survey, and design institutes at the provincial level or above, and have expanded the decisionmaking power of design units. Over the past 5 years, they have taken three steps.

The first step has been the implementation of the system of charging for survey and design work. They have changed the method of allocating funds according to the number of persons into that of charging for survey and design work according to the number of projects. Thus, they have broken away from the practice of "eating from same the big pot" of the country, and their survey and design work has become a trade, in which the fee-collection system has replaced the method of allocating funds according to the number of persons.

The second step has been the trial-implementation of the technological and economic contract system in some of the units since 1983. Survey and design units practice the multi-index contract responsibility system with the higher authorities (the departments in charge), the economic contract system with other units (construction units), and the project responsibility system among survey and design units themselves. In this way, they have further got rid of the staff and design units. Initial statistics reveal that 30 construction and design units and urban design and survey units under the Ministry of Urban and Rural Construction and Environmental Protection are implementing the technological and economic contract system with 13 provinces, cities, and autonomous regions, on a trial basis.

The third step is that in May and July of this year, the Ministry of Urban and Rural Construction and Environmental Protection worked out a plan for overall reform in survey and design units. It proposed that survey and design units should turn themselves into community-oriented enterprises. Under the plan, the engineering, survey, and design units originally under the Ministry of Urban and Rural Construction and Environmental Protection should be composed mainly of units under ownership, by the whole people, while allowing both the collective ownership system and the individual ownership system to exist so as to form an open-type system for competition. They will also break away from the division by departments and regions and allow qualified units to invite and submit tenders and to take part in design competitions. Then, the departments in charge will select fine designs for survey and design units, which will decide on the costs according to design quality.

Commentator's Article

HK261056 Beijing RENMIN RIBAO in Chinese 21 Sep 84 p 1

[Commentator's article: "Design Is the Soul of Engineering Construction"]

[Text] Design is the soul of engineering construction. Design plays a decisive role in whether investment in capital construction can be saved, construction periods can be shortened, and advanced technology can be adopted. In short, the important role of design in construction is such that without modernized design, there cannot be modernized construction.

Now various departments and regions throughout the country have a design contingent comprising 360,000 persons, including nearly all categories. This contingent has made great contributions to socialist construction. However, we have not paid enough attention to design work, and there are still shortcomings in management and the design system. The potentials of designers have not been fully tapped. So design standards are still low and design periods are long. In the present economic reform, carrying out design reform well is quite an important problem.

First, it is necessary to establish explicit ideological guidelines. Like other trades, design work was greatly influenced by "leftist" ideas, such as "taking class struggle as the key link," regarding intellectuals as an alien force, paying attention only to construction to the neglect of design work, and laying stress only on physical conditions in disregard of intelligence. Therefore, we are required to attach importance to science and technology, to intelligential labor, and to intelligential exploitation, so as to solve the problems concerning the responsibility system and management in science and technology, including design technology. Furthermore, it is necessary to train a technological contingent that has enterprising spirit and to pay attention to technical renewal. Only by bringing into play the initiative of designers and displaying the role of advanced technology can we change the results of scientific and technological experiments into a productive force, tap the greatest possible potential, and produce good economic results.

Second, it is necessary to take the road of turning design units into community-oriented enterprises. For a long time, China's design units have been institutions whose design tasks are assigned by the higher authorities. They make a living by relying on the operational funds allocated by the state according to the number of persons in the units. So the more they work, the higher the expenses, and the lower the funds. Within design units themselves, the egalitarianist distribution system is implemented regardless of the amount and quality of work; those who produce fine and advanced designs are not rewarded and those who make bad and backward designs are not punished. This has become a serious obstacle to promoting technological progress and to bringing into play the initiative of design units. The purpose of turning design units into community-oriented enterprises is to change the original method of allocating operational funds according to the number of persons in the units, so as to enable design units to become independent operational units under the guidance of state plans, to assume sole responsibility for their profits or losses, to unify their responsibility, power, and profits, and to expand their decisionmaking power. It is necessary to practice the system of inviting and submitting tenders, to implement equal competition, and to break away from the division by departments and regions, so as to cater to the whole society. Within design units themselves, it is necessary to carry out the project responsibility system and to reward those who make creative contributions and produce good economic results. In this way, design units will have both external pressure and internal vigor.

Third, do not seek "a single solution for diverse problems" in design management system reform, and do not try to accomplish the whole task at one stroke. It is necessary to have special organizations to take charge of this matter and to energetically carry out design management system reform step by step, department by department, and region by region according to their different conditions. Now some departments have taken a gratifying step in design management system reform. Other departments should energetically carry out design management system reform experiments so as to catch up with them. Design work in various departments is closely linked to other work in the departments, so design management system reform should be carried out in step with the entire reform in various departments so as to bring forward reforms in various fields in a coordinated process. In carrying out design management system reform, it is necessary to introduce the results of advanced scientific and technological experiments, to boldly create new things, to correctly handle the relationship between diversification and standardization, and to strive for the consistency of economic, social, and environmental results.

RECTIFICATION BODY PRAISES PROGRESS IN SICHUAN

OW261245 Beijing XINHUA Domestic Service in Chinese 1004 GMT 22 Sep 84

[Text] Beijing, 22 Sep (XINHUA) -- A note from the Commission for Guiding Party Rectification of the CPC Central Committee reads as follows: What does one do if he is faced with some thorny problems in carrying out rectification and making corrections?

He may adopt two kinds of attitude. One is to make a detour in face of contradictions, glance to the right and left, and leave the problems in their status quo. The other is to express strong determination, adhere to a principled stand, integrate the guidelines laid down by the directive of the central authorities with the actual conditions in one's own locality, put forward rational views and measures in handling the cases, and further promote the work of rectification and correction. The Sichuan Provincial CPC Committee has adopted the latter attitude. Various districts and departments should pay attention to and draw lessons from its experience. (note ends)

According to a dispatch from XINHUA reporter Huang Changlu stationed in Sichuan, the Sichuan Provincial CPC Committee adopted effective measures to solve fairly difficult problems first in the course of carrying out rectification and making corrections, and vigorously promoted the work of rectification and correction in provincial-level organs.

In the rectification drive, the Sichuan Provincial CPC committee persisted in correcting mistakes while carrying out party rectification, and solved many problems. However, the various units under the provincial-level organs still had not completely solved all the thorny problems. The provincial CPC Committee realized that if these stumbling blocks were not removed, the work of carrying out party rectification and correcting mistakes may proceed perfunctorily. They were determined to adopt effective measures to fulfill their tasks well in carrying out party rectification and correcting mistakes by tackling fairly difficult problems first. For this, they paid attention to the following tasks:

A -- Raise the level of their ideology and awareness, and overcome their fear of difficulty. They provincial CPC Committee analyzed the reasons as to why the aforementioned problems could not be solved. They came to understand: 1) Some of the problems involved many departments, and the leadership was afraid of offending people. 2) Rules and regulations were not unified. Various units had no specific rules and regulations to follow. 3) After the organizational restructuring last year, the new leading bodies feared that disciplinary actions taken against members of the old leading bodies may affect unity. In light of the aforementioned worries, the provincial CPC Committee immediately held a meeting on party rectification right after the work of carrying out party rectification and correcting mistakes began. The meeting was attended by the principal responsible persons of the party groups and party committees of various departments, commissions, and bureaus. At the meeting, all the attendants unified their ideas with the guidelines laid down by Directive No 9 of the Commission for Guiding Party Rectification of the CPC Central Committee. A responsible person of the provincial CPC Committee emphatically pointed out at the meeting that in face of these fairly difficult problems, should one adhere to the principled stand, or should one dodge contradictions? This serves to test whether or not the party organizations have high combat effectiveness and whether or not the leading cadres are in a fine state of mind. It is the key to determining whether or not we can carry out party rectification and correct mistakes in a thorough manner. At the same time, the provincial CPC Committee clearly stipulated that generally no investigations will be conducted on the shortcomings and mistakes of the members of the old leading bodies in the past. However, members of both new and old leading bodies will be treated on an equal basis, if they are involved in cases as individuals who make use of their authority to seek private interests and adhere to unhealthy practices. At the meeting some typical examples of correcting the unhealthy practices in the party and adopting a principled stand were introduced. For example, the secretary of the former party group of an unit gave a relative of his an extra pay raise in violation of the party policy when the pay scale was readjusted last year. After the new party group discovered this incident, it overruled the decision to give this person an extra pay raise, thus creating a new situation in the unit to correct unhealthy practices. This experience helped the leading comrades of various units raise their courage to solve problems, and made them realize that it is not difficult to solve some problems which have been described as long-standing, big and thorny so long as we serve the interests of the vast majority.

B -- Draw a clear-cut demarcation line in policy and conduct checkups on the implementation of the policy. The provincial CPC Committee and the leadership of various departments concerned studied in timely fashion those problems that cropped up in the course of carrying out party rectification and correcting mistakes, because there was no clear-cut demarcation line in policy and there were no specific rules and regulations to follow. They worked out an unified system and some measures to solve problems. For example, the Group for Guiding Party Rectification and the Discipline Inspection Commission under the provincial CPC Committee had jointly issued a circular in late July, entitled: "Views on Correcting Unhealthy Practices of Party Members and Those Party Member Leading Cadres in 'Recruiting Three Types of Persons' (recruit workers, students and cadres), in Helping Three Types of Persons Change Jobs (peasants to do non-farming jobs, workers to become cadres and those who work for collective-owned units to work for state-owned units), and on Correcting Their Illegal Ways in Transferring Workers." The document also clearly stipulated: Those cadres and workers who got their jobs by abusing one's authority or employing trickery in violation of the party's policy should be ordered to leave their posts. Those workers who have been hired as workers to work in the "four major trades" (workers doing underground mining work, field prospecting and survey work, tree-feeling in forests, and salt production work) should be assigned to work at the forefront of these fields if they are not yet doing what they were originally hired to do. The document also pointed out that all party members and party member leading cadres who had resorted to unhealthy practices in recruiting personnel, helping people change jobs, and transferring cadres and workers from one unit to another and those party organizations that had supported people carrying out illicit activities must earnestly conduct self-examination in the course of the party rectification and correction drive; and conscientiously tackle such problems with the spirit of seeking truth from facts. Cases that took place prior to the promulgation of the "Guiding Principles for Inner-Party Political Life" by the central authorities in March 1980 can be treated with leniency, while those that took place after the "Guiding Principles" were announced should be treated sternly. Those who stubbornly refuse to correct their mistakes and those who repeat their mistakes while making corrections, particularly those who continue to carry out unhealthy practices after the decision on party rectification was made public should be punished even more severely. The party organizations in various units that are conducting party rectification should submit special reports on the results in correcting mistakes and handling cases of this category.

The provincial party committee also organized 22 investigation groups and sent them separately to the various units to carry out household-by-household investigations of the housing problems. Among the households of the 193 leading cadres at and above the department and bureau levels in the provincial offices, who excessively occupied houses, there remained seven that had exceeded the standards stipulated by the provincial party committee and had not withdrawn from the houses. The units concerned were unable to continue to handle them. The provincial party committee then instructed the provincial Discipline Inspection Commission to issue separate notices to these seven households, demanding that they return the houses within the deadline. As a result of the investigations, not only the problems of excessive occupation of houses by the cadres at and above the department and bureau levels were thoroughly solved but also 342 cadres at and below the section level have withdrawn from the houses they excessively occupied beyond the standards, thereby solving the housing problems for 109 households.

C -- Division of labor and responsibilities; strengthening of concrete guidance. The provincial party committee established a responsibility system, under which the provincial party committee's Standing Committee members, party members, and vice governors carried out investigations and supervisions of the rectification and correction work of the respective units they were in charge within the scope of their part of work. They listened to reports made by one unit after the other, made lists of rectification and correction problems that needed to be solved, analyzed the difficult points, and studied the methods to solve them.

For a small number of units with extraordinarily prominent problems, the provincial party committee's leading comrades personally took part in helping them solve their problems. Because of factional interferences, one department of the provincial government encountered difficulties in the party rectification work and in the reinvestigation of the "three types of persons." With the direct guidance and help of the provincial party committee's leading comrades, the department's party group spent 1 month carrying out concentrated education among the party members on thoroughly negating the "Great Cultural Revolution" and eliminating factionalism to increase party spirit. As a result of the meticulous and painstaking ideological work, the vast majority of the party members were able to eliminate factionalism, and a small number of party members who committed various mistakes at different degrees during the "Great Cultural Revolution" were influenced by the education and carried out self-criticisms. As soon as these difficult points were overcome, a new situation was created in the rectification and correction work of the entire department. The leading bodies of 11 sections and offices of the department, which had never been well-staffed because of factional interference, have recently been adequately staffed and have shown improvement in their professional work. Despite its serious bureaucratic problems and alarming economic losses, the party committee of a certain bureau had failed to carry out investigations and handle the problems for a protracted period of time. With the supervision and help of the provincial party committee and the party group of the State Council's department concerned, the party committee of that bureau carried out case-by-case investigations and clarified 13 cases of economic losses caused by bureaucratism.

As a result of the tight grasp of these aspects of work by the Sichuan Provincial CPC Committee, the relatively more difficult problems in the rectification and correction work of the various units in the provincial-level offices were solved one after the other, and the rectification and correction work is developing intensely.

KANG SHIEN ADDRESSES BEIJING DONATION CEREMONY

OW261353 Beijing XINHUA Domestic Service in Chinese 1520 GMT 25 Sep 84

[Excerpt] Beijing, 25 Sep (XINHUA) -- The China Children's Activities Center today received two new gifts: a "colorful and musical fountain" and the cross section of an automobile.

The two gifts were donated respectively by the Daqing Oilfield and the Changchun No 1 automobile manufacturing plant to the children as national day gifts.

Kang Keqing, vice chairwoman of the CPPCC National Committee and chairwoman of the All-China Women's Federation, cut the ribbon for the donation ceremony this afternoon. State Councillor Kang Shien, a representative of the Beijing children, and a representative of the workers and staff of the Daqing Oilfield also spoke at the ceremony.

HEILONGJIANG'S LI LIAN WATCHES MODERN DRAMA

SK240357 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 23 Sep 84

[Text] On the evening of 23 September, the Daqing City modern drama troupe staged the premiere of a seven-scene modern drama -- "The Black Rose" -- at the Cultural Palace of the Harbin City Second Light Industrial Bureau. The drama was well received by the audience. "The Black Rose" shows the contradictions and struggles of the old oilfield in the course of reform in the 1980's, and portrays the image of Hei Yan, a new-style inspector of an oil drilling team who is earnest and responsible, and who makes advances with a pioneering spirit. The performance of the actors and actress was sincere and imbued with the flavor of life. Comrades Li Lian and Zhang Xiangling watched the premiere and met with the performers.

HEILONGJIANG'S LI LIAN ON WHOLESALING EGGS

SK250305 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 24 Sep 84

[Excerpt] In view of the fact that the Harbin Food Company and the city's second commercial bureau insisted on monopolizing the wholesale of eggs at a parity price, Li Lian, secretary of the provincial CPC Committee, on 21 September instructed leaders of the provincial government and the Harbin City CPC Committee that in dealing with such a problem, the policies of the central authorities, not the principle of reaching unanimity through consultation, should be implemented.

Li Lian's instruction was given in view of a reader's letter carried in ZHONGGUO NONGMIN BAO [CHINA PEASANT PAPER] on 16 September titled "When Will the Case of An Egg Striking a Rock Be Concluded?" Li Lian said: We should allow peasants to wholesale eggs at a parity price. Why should the food company and the commercial bureau take over the things that the masses can run by themselves?

Li Lian said: This problem has been discussed in Harbin City for a long time. It is time for the government to intervene and make decisions.

TECHNOLOGICAL ADVANCES IN NORTHEAST REGION NOTED

HK240651 Shanghai SHIJIE JINGJI DAOBAO in Chinese 3 Sep 84 pp 1, 3

["Dispatch" from Shanyang by He Ling: "Large-Scale Technological Transformation Will Be Carried Out in Northeast China"]

[Text] In a recent interview with this reporter, a responsible person of the State Council's office for energy and transport projects in the northeast region disclosed that during the Seventh 5-Year Plan, large-scale technological transformation will be carried out in the northeast region, and the investment in this field is expected to increase by about 60 percent over the Sixth 5-Year Plan period. After the transformation projects are completed, backbone enterprises in the major industries in the northeast region, which is the main industrial base of China, will really have advanced technological foundations, and some key products will measure up to the international level of the late 1970's and the early 1980's or even catch up with the current advanced level in the world, thus laying a solid foundation for economic development in the last 10 years of this century.

This responsible person pointed out that the northeast region has a certain industrial foundation and some advantages, but the enterprises, products, technology, and equipment there have become more and more obsolete. From 1980 to 1982, the major indicators of economic development in the northeast region all lagged behind those in other parts of the country.

In particular, the economic growth rate of Liaoning Province, which has had a better industrial foundation, was lower than the rates of Shanghai, Jiangsu, Zhejiang, Hubei, Shandong, and Sichuan in 3 consecutive years from 1980; and Liaoning's total industrial output value fell from second to third place among various provinces in the country. All this shows that the old industrial base may gradually decline or stagnate and may lose its advantages and leading role in our country's modernization process unless we speed up the pace of reforms and technical transformation so as to shift the industries onto an advanced technological foundation.

He disclosed that according to Premier Zhao Ziyang's instructions when he inspected work in Liaoning and according to the opinion of the central economic and finance leading group, his office, mandated by the State Planning and Economic Commissions, has put forward its preliminary plan for conducting technological transformation in the northeast region in the Seventh 5-Year Plan between 1986 and 1990. The planned investment amounts to about 40 billion yuan. The target is to substantially raise the technological level of nearly 1,000 key enterprises so as to make 40 percent of their products reach the international level of the late 1970's and early 1980's.

This responsible person said: During the Seventh 5-Year Plan, apart from energy and transport projects for which special arrangements will be made, priority will be given to the technological transformation in the machine-building, metallurgical, chemical, electronics, building materials, textile, and food-processing industries. The output value of these industries and their tax and profit contributions account for 76 percent of the total of the northeast region. The systematic transformation of the final products of key enterprises in these industries will lead to the improvement of the overall industrial situation in the northeast region.

He pointed out that the technical transformation of the old industries cannot be carried out independently; rather, it should be linked with the structural reform, the industrial reorganization, and the merging of enterprises. Without smashing the two "big pots," it is impossible to arouse the enthusiasm of the enterprises and workers for raising their technical efficiency. Without breaking the economic barriers, it is impossible to carry out technological transformation on a reasonable basis which is formed by the readjustment and reorganization of the enterprises.

Premier Zhao directed the technological transformation of old enterprises to be carried out in an orderly way with priority given to certain key areas so that actual results can be achieved in each enterprise that conducts technological transformation. This responsible person said: According to these directions, financial resources for technological transformation in the northeast region will be concentrated on some key areas and will not be widely dispersed. An average of more 10 million yuan will be invested in more than 200 key enterprises, among which 50 large-scale backbone enterprises will be treated as the "priority enterprises" of the "key enterprises" in technological transformation.

This responsible person pointed out: Main efforts in the technological transformation will be made to improve the technical efficiency of the enterprises and raise the degree of their technological intensiveness so as to make technological advances and achieve better economic results. That is, priority should be given to energy conservation, lowering consumption, raising product quality, and enriching product variety. It is inadvisable to place lop-sided stress on the expansion of production capacity, to duplicate outmoded equipment, and to use the funds for technological transformation to conduct capital construction. Therefore, the office has worked out six standards to define the priorities and orientations of the enterprise technological transformation:

- Projects that have a bearing on the overall situation of the national economy and which can provide new equipment and materials for the state's key construction projects;
- Projects that will produce quality goods and brand goods which are in short supply and are urgently needed by the state and the people;
- Projects that can substantially lower the consumption of energy and raw materials in production and thus raise economic efficiency;
- Projects that can increase export and help catch up with the advanced level in the world;
- Projects that will control environmental pollution, reclaim useful things from industrial waste, and effect comprehensive utilization of resources.
- Projects which will improve the product structure, speed up the upgrading of products, and promote the development of technology-intensive industries.

This responsible person stressed: Industrial enterprises in the northeast region have great potential, so technological transformation projects in the old enterprises will require less investment but bring in quick returns as compared with building new enterprises. In the handling of some transformation projects, normal production will be able to continue without interruption or will even increase. According to preliminary estimates, by the year 1990, after completion of the planned technological transformation projects, the iron and steel, machine-building, petrochemical, textile, and food-processing industries in the northeast region will increase their output value by more than 20 billion yuan and will be able to increase their tax and profit contributions to the state by nearly 10 billion yuan. Newly built enterprises would not be able to achieve these remarkable results.

I. 27 Sep 84

C H I N A
HONG KONG MEDIA ON CHINA

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GOVERNOR YOODE DISCUSSES PRC-UK AGREEMENT

HK261413 Hong Kong Domestic Service in English 1100 GMT 26 Sep 84

[Governor Sir Edward Youde speech to Legislative Council -- live]

[Text] Honorable Members: Earlier today an agreement between the United Kingdom and the People's Republic of China was initialed on the future of Hong Kong. It was an historic agreement. [Words indistinct] of these negotiations was set out at an early stage. They were elaborated in some detail by the Secretary of State, Sir Geoffrey Howe, when he visited Hong Kong in April this year, when he also spoke about the position which had been reached in the negotiations. In August, he gave a further account of the progress made. Nevertheless, the length of the negotiations and the confidentiality in which they have had to be conducted have imposed a considerable strain on the people of Hong Kong who have been understandably anxious to know what arrangements will be made for their future. I should like to pay tribute to the resilience and forbearance which they have shown during this difficult period.

The essential provisions of the agreement are these. The United Kingdom will continue to be responsible for the administration of Hong Kong until the 1st of July 1997. On that date, China will resume the exercise of sovereignty and Hong Kong will become a special administrative region of the People's Republic of China with a high degree of autonomy. The agreement provides for the continuation of Hong Kong's unique social, economic, legal, and other systems for 50 years after 1997 and for a smooth transition to Hong Kong's new status. Before I speak about the content of the agreement, I should like to recall a few basic facts which form the background to the negotiations and which shaped some of the provisions in the agreement itself.

First, the 1997 deadline was a fact inherited from history. The problem as not of our making. It existed and had to be dealt with. The negotiations demonstrated incontestably that China would not agree to the continuation of British administration over any part of Hong Kong beyond that date.

Second, the problem had to be deal with now. It would not have been right to leave the community of Hong Kong in continuing doubt about its future. And in advanced industrial commercial economy like that of Hong Kong, the deadline was bound to cast a long shadow forward, affecting investment decisions many years before 1997.

Third, the major part of Hong Kong is due to revert to the People's Republic of China in 1997. The remainder would not have been viable alone. The problem had, therefore, to be dealt with by negotiations with the Chinese Government. In any case, it is a fact of geography and an inescapable element of Hong Kong's unique position today that it needs a sound relationship with its great mainland neighbor.

Although the problem was one which needed a solution now, the discussions were largely dominated by the need to set out what will happen in 13 years' time. There was a clear requirement to set out, for all those concerned in Hong Kong and outside, what would change and what would remain essentially the same. The task was to remove the uncertainty which the 1997 deadline imposed and to replace it with a basis on which the people of Hong Kong could build a reasonable future for themselves. Her majesty's government and the Executive Council of Hong Kong believe that the draft agreement is one which they can commend to the people of Hong Kong and to the British Parliament as a sound basis for that future. It provides a framework within which the people can continue to plan their lives, work, and raise their families in Hong Kong in peace and security, with their rights and freedoms protected under the law. I will explain the reasons for this conviction.

Whatever view one takes of the circumstances in which Hong Kong's link with Britain was forged, it is that link which has provided Hong Kong with the foundations of its present system. The link with Britain has in practice and by convention come to allow Hong Kong a high degree of autonomy in the regulation of its affairs. Within that framework the system which has evolved in Hong Kong is different from that on the mainland of China. Since the only basis for a solution acceptable to the Chinese Government was that China should resume the exercise of sovereignty over Hong Kong in 1997, and thus that the constitutional link with Britain should be severed, it was obviously necessary to find a way of insuring that the different systems in force in Hong Kong could be maintained and that people would have confidence that this would be so. The Chinese leaders have themselves acknowledged this in their far-sighted and imaginative proposal for a one country, two systems arrangement.

In consequence, in the view of the British Government, any agreement between the United Kingdom and the People's Republic of China had to meet the following essential requirements. It had to provide, in sufficient detail and in language familiar to those living and working in Hong Kong, for continuity of their social, economic, financial, monetary, judicial, and other systems, except for those changes required by the transfer of sovereignty and the right of administration to the People's Republic of China. To give confidence both in Hong Kong and to the world at large in its provisions, there had also to be a binding commitment on the part of both governments to implement all the provisions of the agreement.

The agreement published today meets squarely these requirements. It spells out the Chinese Government's intention to preserve, in all essential aspects, the systems and policies which have helped Hong Kong transform itself in 40 years from conditions of devastation to one of the world's leading manufacturing, trading, and financial centers. The key provisions enshrine an unequivocal commitment by the two governments to implement the terms of the agreement and its annexes, all of which are equally binding. In entering into such freely negotiated commitments sovereign states stake their reputation and standing in the eyes of the world.

The central concern of the community in Hong Kong, as of any other society, is to know how it is to be governed and by whom, where it will look for justice, what will be the essential features of its society, and how it will be able to earn a living. It is not yet practicable to set out all the details of Hong Kong's future government. Debate on this has only recently begun in Hong Kong and progressive change is inevitable, but the essentials have been covered. The agreement provides that as a special administrative region of the People's Republic of China, Hong Kong will enjoy a high degree of autonomy. There will be an elected legislature which will continue to have the authority to make laws for Hong Kong in accordance with Hong Kong's needs. The executive authority will be accountable to the legislature and bound to act in accordance with the law. The chief executive himself will be chosen by election or consultation. These provisions will allow scope for the development of Hong Kong's governmental system as the years progress. As you know, our objective in the year immediately ahead is to use that process to root political power in the community where it belongs.

The agreement specifically provides that the fundamentals of the judicial system will remain unchanged. The citizens of Hong Kong may therefore be confident that the law will be administered impartially and that the courts will continue to protect those rights and freedoms which are presently enjoyed in Hong Kong and which are assured by the application of international covenants. In any society the immediate interest of the ordinary man are in the right to earn his living and to enjoy the rewards of his endeavors, to go about his daily life without interference, to educate his children, and to spend his leisure time as he will. The agreement preserves his rights in all these fields.

The agreement also ensures that Hong Kong's economic lifeblood can continue flowing with the same vigor in the future as it has in the past. The foundations of Hong Kong's economic success have been a free market economy, a free port, dynamic industries, assured access to markets in the industrialized world, and a freely convertible currency. The continuation of all these key elements is provided for in the text. The implementation internationally of some of the provisions of the agreement requires further work by the British and Chinese Governments, in some cases in consultation with other governments, notably those of Hong Kong's principle trading partners. This will be one of the first matters for discussion with the Sino-British joint liaison group which is to be set up as soon as the joint declaration comes into force. I am confident that the governments of Hong Kong's main partners can be persuaded to accept that success of this agreement will be in the wider interest. This will enable Hong Kong's network of external economic relations to be maintained and developed and, in particular, allow the rights of access to overseas markets for Hong Kong goods, now set out in a series of multilateral and bilateral agreements, to be preserved.

Land has always played an important role in the economy of Hong Kong. The agreement provides for the continuation of existing land grants and the means whereby new land may continue to be made available to meet Hong Kong's future needs. Many existing leases extend beyond 1997. Such leases, and the rights in such leases, will continue to be recognized after the establishment of the Hong Kong special administrative region. Other leases which are due to expire on or before 1997 may be renewed for 50 years after that date. New leases will be granted extending up to the year 2047. The uncertainty concerning existing rights in land and future land tenure has thus been replaced by detailed provisions which should give confidence and encourage investment.

The Chinese Government has always regarded all Hong Kong Chinese as Chinese nationals. The majority of them have been regarded as British nationals under British law. In such circumstances, a solution was not easy. It has been found in a practical arrangement. It is obvious that the status of the British dependent territory citizen cannot continue after 1997, but all present British dependent territory citizens and those who will become British dependent territory citizens up to the 30th of June 1997 will be eligible for a new status. This will enable them to obtain British passports of a new type before that date and to continue to travel on them after that date if they so wish. Their right to travel freely is enshrined in the agreement.

I recognize that this agreement may not be regarded as completely satisfactory by all whom it affects at all points. No agreement could achieve that, but throughout these negotiations we have listened carefully to the people of Hong Kong. There has been a constant flow of information, comment, and advice on what the people of Hong Kong would wish to see in this agreement. These views have been conveyed to Her Majesty's Government in London and taken fully into account in the negotiations. In the light of this, I can say without hesitation that the agreement provides a sound basis on which the community in Hong Kong can build its future, because it provides for the continuation of those elements which the community of Hong Kong have made clear they regard as essential. In doing so it removes an obstacle. The story of Hong Kong over the past 40 years has been one of increasing economic success and an improving standard of life. Those who have been born here, or who have come from other places, have won the admiration of the outside world for their vitality, their capacity for hard work, their skills, and their talent for adaptability. But the uncertainty about 1997 became a deterrent to confidence and progress. Now Hong Kong can move ahead once more.

For its part, your government is determined to play its part in continuing to provide the people of Hong Kong with a foundation on which they can build their future with confidence. It will discharge its duties of governing Hong Kong in the interests of the community and in meeting the needs for housing, schools, hospitals, and public services of all kinds, so that everyone in Hong Kong will be encouraged to have faith in the future because they know and can see that the government itself has that faith. I shall explain in more detail the government's plans for the coming year in my annual address to this council on the 4th of October.

The text of the agreement is being published today simultaneously in London, Peking, and Hong Kong. It has been included, with an introductory memorandum and explanatory notes, in a white paper for presentation to Parliament. The white paper is also being published here. It is now time for the people of Hong Kong to consider and discuss the agreement. This council has already resolved to debate the matter. The arrangements for testing public reaction and for monitoring that process have already been announced. The views which are expressed on the agreement will be conscientiously recorded and impartially assessed. I now urge everybody in Hong Kong to read these documents most carefully and come forward with their views. It is vital that the British Parliament should have the fullest possible account of the views of the Hong Kong people when time comes for Parliament to consider the matter and to decide whether the British Government should be authorized to sign an agreement on which the future well-being of Hong Kong's more than 5 million people will depend.

Before concluding, I should like to pay a tribute to members of both the Executive and Legislative Council. Members of both councils have been resolute, sincere, and selfless in reflecting the views of the people of Hong Kong. No community could have been better served by its councillors. Let me sum up. The agreement initialed today is an agreement which takes account of Hong Kong's needs and the realities of history. It foresees that change must come, but in providing for that change, it provides also for the preservation of the essential elements in our society. In as far as it is possible for governments today to provide for the future, it removes the uncertainty which existed because of the 1997 deadline. It constitutes a blueprint for a new stage in Hong Kong's development. As such, I commend it to this council and to the community at large. With their widely recognized ability to adapt to change and respond to opportunities, I have no doubt that the people of Hong Kong can make it work and can build for themselves a successful future. Thank you honorable members.

HSIN WAN PAO DISCUSSES AGREEMENT ISSUE

Differences Noted

HK250938 Hong Kong HSIN WAN PAO in Chinese 25 Sep 84 p 1

["New Talk" column: "The Chinese-and English-Language Versions of the Sino-British Joint Declaration Differ Slightly in Content"]

[Text] The Sino-British joint statement on the Hong Kong issue will be initialed tomorrow morning, but according to reports from Beijing and London officials and to the state of affairs in Hong Kong, all officials concerned will be very busy starting today. There is no exception for the foreign ministers of China and Britain, who are attending the UN General Assembly in New York. This evening, Evans, head of the British delegation, will give a banquet for Zhou Nan and other members of the Chinese delegation at the British Embassy in Beijing. Since July 1983 the two delegations have worked together for 15 months and have held 22 rounds of formal talks and a large number of informal meetings. Now they have finally found a satisfactory solution to the Hong Kong issue which was left over by history. This is not only an achievement of the two states of China and Britain, but also an achievement of the two delegations who have shouldered the important task. The process and experience of the talks and contacts will last forever in the memory of these diplomats.

At 1000 [0200 GMT] tomorrow morning, heads of the two delegations will hold the initialing ceremony at the Great Hall of the People. After the joint statement is initialed, the two delegation heads will propose a toast respectively. Then, Ji Pengfei, director of the PRC State Council's Hong Kong and Macao Affairs Office, will give a luncheon in honor of the two delegations. During the more than 1 year of talks, Ji Pengfei has been one of the major decisionmakers of the Chinese side, though he has not appeared on any formal diplomatic occasions. During this period, his office has received more than 80 groups of visitors from various circles in Hong Kong and has obtained a good knowledge of the proposals and wishes of Hong Kong compatriots in various social circles.

The mass media expected both sides to hold press conferences after the initialing of the joint statement so that reporters could pose some questions to the spokesmen. However, the press conference has not been included in tomorrow's schedule. It seems that it is better not to arrange such press conferences. If both sides' explanations of some phrases and terms vary slightly from one another, this would offset the great significance of the initialing of the final agreement, which has been achieved through painstaking efforts and will attract international attention, and this would even give a pretext to some people who are trying to nitpick. In case there should be any differences in explaining the provisions of the agreement, the problems can be solved by the joint liaison group formed by the two sides.

China and Britain will simultaneously publish the text of the agreement at 1900 (or at 1200 London time), but the version published by the Chinese side will be slightly different from that published by the British side. The document published by China will contain only the text of the joint statement and its three annexes, while the document published by Britain will be in the form a white paper which includes a preface and some notes by the British Government before the text of the joint statements and the annexes. The British side reportedly holds that it is necessary to brief the British people on the British Government's position through the preface and the notes. In addition, according to the legislative procedures of Britain, a white paper cannot be revised, but can only be adopted or rejected by the Parliament. That is why Whitehall has decided to use the form of a white paper. It is understood that the Chinese side has agreed with the arrangements of the British Government to publish the text of the joint statement in the form of a white paper and has even been informed of the contents of the white paper. Otherwise, there would be no such differences, since the two governments agreed to announce the same statement at the same time. Coincidentally, Chinese Foreign Minister Wu Xueqian will deliver a speech at the UN General Assembly after the publishing of the joint statement. Subsequently, the foreign ministers of China and Britain will hold a meeting, and British Foreign Secretary Howe will hold a press conference in New York. It is believed that they will appraise the Sino-British agreement from a side perspective.

'Historic Moment'

HK261012 Hong Kong HSIN WAN PAO in Chinese 26 Sep 84 p 2

["New Talk" column: "An Historic Moment"]

[Text] The historic moment came this morning. The heads of Chinese and British governmental delegations, Zhou Nan and Evans, this morning initialled the joint declaration on the question of Hong Kong in a simple but solemn ceremony. In accordance with legal procedures as a whole, this agreement can be formally signed at the end of this year only after it has been discussed by both parties' legislatures. In addition, it will be put into effect only after a certain period of time. Nevertheless, the initialing marks the conclusion of the 2-year talks and the crossing by both sides of the decisive point. The Hong Kong question is an issue between China and Britain left over from history. In accordance with the spirit of cooperation and mutual understanding, the Chinese and British Governments have finally found an appropriate method to settle the question, through protracted and patient talks, and have reached a satisfactory agreement. The agreement itself only concerns two parties, but as we can see from the wide international attention that it has attracted in the course of the negotiations, it will exert a profound influence in the present world situation, and will occupy a glorious position in the history of contemporary international relations.

In their speeches, Zhou Nan and Evans mentioned the role that the concept of "one country, two systems" has played in the talks. Zhou Nan pointed out: This concept satisfactorily settled the Hong Kong sovereignty question, as well as providing an effective guarantee for the future Hong Kong's prosperity and stability. Evans particularly said that it was an imaginative concept.

Of course, there are many international questions that are left over from history since the end of the World War II, in addition to newly arisen disputes. In the eighties, the Chinese have proposed the concept of "one country, two systems" to settle the Hong Kong question. It seems that it will also provide a new example for settling other international questions. It is expected that the speeches by Wu Xueqian, China's foreign minister, and Howe, British foreign secretary, to be delivered today at the UN General Assembly, as well as the press conference, will mention this new concept, thereby causing further investigations and study.

The solution of the Hong Kong issue resulted from the farsightedness of developing long-term and comprehensive relations between the two countries. Therefore, the existing friendly relations between China and Britain will certainly be further consolidated and developed on a new basis. Since the agreement was finally reached after opinions were extensively solicited from various quarters and views were patiently and repeatedly discussed at the talks over a long period, it can be believed that its contents conform to the fundamental interests of the 1 billion Chinese people, including the Hong Kong compatriots, and to those of the British people and that they can also satisfy relevant rational desires and demands and thus enjoy support. It can be expected that the promulgation of the joint declaration and its annexes this evening will certainly evoke enthusiastic reactions.

Maintaining Hong Kong's prosperity and stability is a hope universally shared by the world community. The solution of problems between China and Britain left over from history has also attracted worldwide attention. This morning, the agreement between the two countries was only initialed and its contents have not yet been made public, yet statements expressing congratulations have already been made abroad. Public opinion in many countries also holds that this document will have a far-reaching influence on world peace, peace in Asia, and prosperity and stability in Southeast Asia in particular.

An optimistic atmosphere prevails at this moment of historic significance. Hong Kong has very bright prospects.

'1 Country With 2 Systems'

HK261539 Hong Kong HSIN WAN PAO in Chinese 26 Sep 84 p 2

[Unattributed article: "The Concept of One Country With Two Systems Is of Far-Reaching Significance"]

[Text] Today is the most important moment for the Sino-British talks on the Hong Kong issues. At the conclusion of the 22d round of talks, Zhou Nan, head of the Chinese delegation, quoted the Chinese proverb "people are joyful when there is a happy event and the moon is extremely bright at the mid-autumn festival" to describe the process of the talks. In the 21st round of talks, he quoted two lines from a poem of the Tang Dynasty: "Yet monkeys are still calling on both banks behind us, to our boat these ten thousand mountains away." The two quotations were extremely wonderful. The talks lasted 2 years and experienced many difficulties. A review of many views and comments during the process of the talks well indicates that there were indeed a few obstacles. But all this is past and an agreement will finally be initialed in September.

Many people believe that British Foreign Secretary Howe's visit to China in April this year marked a new stage of the Sino-British talks on Hong Kong's future, a stage in which the controversy over Hong Kong's sovereignty reached a conclusion and both sides had a common understanding about arrangements for Hong Kong after 1997. The talks then focused on the discussion about the transition period from April 1984 to 1997 and on how to maintain Hong Kong's prosperity and stability.

If the talks can be divided then April 1984 marked a division of the second phase of talks, which began in Beijing on 12 July 1983. After his talks with Chinese leaders Deng Xiaoping, Zhao Ziyang, and Wu Xueqian, British Foreign Secretary Howe made a statement in Hong Kong in which he explicitly declared: "It is impractical to think of reaching agreement on the continuation of British administration in Hong Kong after 1997." Thus, he officially declared that Britain will give up Hong Kong and will not seek sovereignty and administration over Hong Kong after 1997. Before that, China had always stressed that sovereignty and administration could not be negotiated. Observers believe the Sino-British talks took a turn for the better at the 7th round of talks. After the settlement of problems on the post-1997 arrangements for Hong Kong, the 12th round of talks focused on problems on the transition from now until 1997.

At the beginning of 1984, China openly declared its policy on Hong Kong's future. At a rally in January, Premier Zhao Ziyang pointed out: "China will recover its sovereignty over Hong Kong after 1997. Hong Kong will be administered by Hong Kong people. The way of life and social system will remain unchanged in Hong Kong. Meanwhile, we will adopt a series of policies to guarantee Hong Kong's prosperity and stability." Chinese leaders Deng Xiaoping, Zhao Ziyang, Wu Xueqian, and Ji Pengfei have also made remarks on the Hong Kong issue on many occasions over the past year or so.

Deng Xiaoping time and again expounded the concept of "one country, two systems" and its significance. When meeting three well-known persons from Hong Kong on 23 June this year, he pointed out: "We have taken into full account the objective reality in Hong Kong and have adopted the method of 'one country, two systems'." "If this method proves successful in Hong Kong, there will be a way of resolving this type of problem in the world." "There are many explosive areas in the world, all 'dividing one into two,' not only in China." British Foreign Secretary Howe said on 31 July that the concept of "one country, two systems" is of historic significance and an inspiring idea. It can maintain Hong Kong's prosperity and stability before and after 1997. The attitude adopted by China and Britain on the Hong Kong issue has set an example, not only for other fields between the two countries, but also for other countries.

ACCORD LINKED TO PRC-TAIWAN, -MACAO REUNIFICATION

HK240346 Hong Kong SOUTH CHINA MORNING POST in English 24 Sep 84 p 10

[By Foreign Affairs Editor David Chen: "Reunification: The Focus Shifts to Taiwan, Macao"]

[Text] Now that the Hong Kong question is largely resolved, the focus is being turned to China's two remaining issues: Taiwan and Macao. And "preliminary steps" toward the reunification of these two areas have already been taken. The major issue, of course, is the country's largest island of Taiwan. The breakaway province has never been under the control of the People's Republic. It has its own government and system, run by the Kuomintang, the defeated political party in the 1946-1949 civil war.

Today, Taiwan has a robust economy with trade and economic links with a vast majority of countries and regions in the world. It still maintains diplomatic links with more than 20 countries, largely in Latin America, although in the years to come such links will further dwindle. It has also its own Army, one of the strongest proportionately to the size of the territory it is supposed to "defend."

In many respects it is different from mainland China. But there is a common bond: the people on both sides are Chinese. It has been reiterated regularly that such a separation is only transitional and almost all on both sides of the Taiwan Strait, believe the two will become one in time.

The nationalists continue to regard the People's Republic as illegal and in their official documents continue to describe Peking officials as "bandits." Officially, they too refuse to have anything to do with the authorities on the mainland. Peking, on the other hand, has long given up addressing the nationalists as war criminals. For nearly two decades it has proffered its hand to Taiwan and offered to exchange postal, trade, air, and shipping services, family reunions and visits by relatives and tourists. A major move was made on the eve of China's National Day in 1981 with a nine-point proposition by the then chairman of the Chinese National People's Congress, Marshal Ye Jianying, calling for reunification of Taiwan with the mainland and offering cooperation and most generous terms to the Taipei regime. These offers were repeated by other leaders in the months that followed. Officially, and repeatedly, Taiwan officials rejected Peking's overtures, such rejections being also recorded on official documents of both the Government and the Kuomintang Party on the island.

Nevertheless, despite the rejections, contacts, albeit at unofficial level, were made and "blossomed." Trade between the mainland and Taiwan multiplied, largely through Hong Kong as an entrepot. Many Overseas Chinese who migrated from Taiwan began to visit the mainland. They were followed by Taiwan residents, through Japan or Hong Kong. At international meetings, too, Peking and Taipei academicians and officials also get together to discuss specific issues. In the cultural and sports fields, such contacts are today so commonplace they are no longer sensational. However, the two sides are still apart, largely due to the Kuomintang refusing to hold official bilateral meetings. This is due, some believe, to the lack of a proper "catalyst." That catalyst has to be a political concept under which talks of reunification can proceed. In Taiwan itself, although the Kuomintang maintained its unflagging official stand, academic circles, however, began to look into the question. Various propositions were cautiously put forward, and one of the most respected political researchers proposed, at a seminar in Seoul three years ago, the concept of a "multisystem nation."

Professor Wei Yung based his concept on a new phenomenon which has emerged since World War II, that opposing regimes have effective control of their part of a country, such as Germany, Korea, Vietnam (until 1975), and China. And it is simply impossible to reunite these rival regimes or reunify the country, except by force as in the case of Vietnam. Prof Wei proposed that these regimes should continue to maintain contacts with other countries, leaving the "internal matter" of sovereignty to the rival regimes to settle by themselves. This concept failed to win approval and remained an academic exercise. Peking did not approve the concept because it would promote ultimate independence for Taiwan.

Marshal Ye's nine-point proposition incorporated some of the points embodied in Prof Wei's concept. It proposed to allow Taiwan to have its own regime and system, even to the point of having its own armed forces, with an added offer to Taipei officials of positions in the Peking Government. Provided Taiwan acknowledged the PRC Government as the sole, legitimate regime for all China. The following year, the Hong Kong question dominated the minds of Peking leaders and as the discussions proceeded, the concept of "one country two systems" began to emerge. A special article in the new Constitution, adopted in 1982, was singularly significant. It provided for the establishment of special administrative regions.

While noting that this article was applicable to Hong Kong, Peking officials also let it be known that Taiwan and Macao could also be included in the same category. In the following months, Chinese officials began to talk about "one country two systems" -- that within the People's Republic of China there could be two different social systems -- socialist and capitalist. This concept was officially endorsed by Britain whose Foreign secretary, Sir Geofrey Howe, described it as "a far-sighted one" in his Hong Kong press conference last month. This concept is to be written into the joint declaration on Hong Kong.

The concept was reiterated only two days ago in New York by the Chinese Foreign Minister, Mr Wu Xueqian. Mr Wu, who is attending a United Nations General Assembly session, told a Hong Kong television station that China would not have one policy for Hong Kong and a different one for Taiwan. On the contrary, "we will be far more generous to Taiwan," he said. Mr Wu's statement is consistent with China's pronouncements in the past. While the "one nation two systems" policy applies to Hong Kong after 1997, the territory will not have its own defense force or conduct diplomacy with foreign countries except perhaps in trade and economic matters. Taiwan, however, could retain its social system and armed forces and maintain links with other countries provided it acknowledged the PRC and recognized Peking as the seat of the central government.

While such official pronouncements are being made repeatedly, approaches to Taiwan representatives and pro-Taiwan elements are being stepped up at other levels. In Hong Kong, where the nationalist presence is evident, there have been meetings, though entirely unofficial, between pro-Peking and pro-Taipei people, sometimes in the presence of third parties. A week ago the director of the Hong Kong Branch of the NEW CHINA NEWS AGENCY, Mr Xu Jiatun, gave a banquet for several local businessmen known to have close ties with Taiwan. The dinner was a very friendly one. At the same time, Kuomintang elements are not reticent in their activities. From Taipei, directions have come that they should promote even closer contacts with local people and there have been talks of establishing "special economic zones" in KMT-controlled regions for Hong Kong businessmen. Such activities are not limited to business dealings. Several pro-Taiwan groups have come to the fore, ostensibly championing local people's causes.

Analysts noted that with the question of Hong Kong's future largely settled and local people beginning to prepare for the transition period leading to a post-1997 Hong Kong, the Taiwan groups might feel isolated as fewer and fewer people would associate themselves with pro-Taiwan elements. There was, therefore, great urgency for them to renew old contacts as well as establishing as many new ones as possible, analysts noted. Their activities have prompted the grave concern of pro-Peking elements in Hong Kong and some analysts believed Mr Xu's recent warning that China would not tolerate any independence movement in Hong Kong was probably aimed at Taiwan elements who might try to stir up trouble in Hong Kong. In the months and years to come, the focus is expected to be diverted increasingly more from the Hong Kong question to that of Taiwan. While it is certain the Hong Kong issue will be given prominence in Chinese leaders' speeches in the coming National Day celebrations in Peking, Taiwan will get equal if not more attention. While the leaders on both sides of the Taiwan Strait realize it will take many more years for the issue to be resolved, it is already on the agenda of both regimes.

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